

DAILY REPORT

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LI PENG ON CHINA'S FOREIGN, DOMESTIC POLICIES

HK301356 Hong Kong LIAOWANG Overseas Edition in Chinese No 17, 28 Apr 86 p 4

[Article by LIAOWANG reporter Gu Wenfu: "Li Peng on Relations With Foreign Countries and Domestic Policies"]

[Text] Li Peng, vice premier of the State Council, met at the Great Hall of the People on 16 April a visiting reporters group sponsored by the Center for Strategic and International Studies of the U.S. Georgetown University. The Center for Strategic and International Studies of Georgetown University is one of the well-known "brain trusts" in the United States. Among the senior advisers to this center are Henry Kissinger, Zbigniew Brzezinski, and James Rodney Schlesinger. All the members of this visiting reporters group are senior reporters from various major U.S. newspapers. Li Peng briefed the reporters group on such important issues as Sino-Soviet and Sino-U.S. relations, as well as the economic reform of China, the drive to deal blows at criminal activities in the economic field, and joint ventures run with Chinese and foreign capitals.

China and the Soviet Union Will Not Become Allies

Li Peng said: China is willing to normalize its state relations with the Soviet Union on the basis of the removal of the obstacles. We have noticed that on several important occasions, General Secretary Mikhail Gorbachev spoke out his desire to improve relations with China. We think that the important thing is deeds rather than words. There has recently been some development in Sino-Soviet relations, mainly in the sphere of economic, technological, and cultural exchanges and cooperation. The political differences between the two sides remain unsolved. In order to normalize the relations between the two countries, the "three major obstacles" must be moved. The normalization of Sino-Soviet relations will not only benefit the two large neighboring countries but will also be conducive to world peace. We hope that China and the Soviet Union will become friendly neighbors living in harmony with each other on the basis of the Five Principles of Peaceful Coexistence. But China and the Soviet Union will not become allies as they did in the 1950's.

China Will Not Establish "Strategic Relations" With the United States

Li Peng said: China pursues an independent peaceful foreign policy. China's efforts to strengthen its defense do not constitute a threat to any country. Modernization of China's national defense will only be conducive to the safeguarding of world peace. China is willing to have technological exchanges and cooperation with the United States in the sphere of advanced weapons. But China will not establish "strategic relations" with the United States, and the above-mentioned exchanges will only play a limited role in China's modernization of defense. China relies mainly on its own efforts in modernizing its defense.

The Drive To Deal Blows at Criminal Activities in the Economic Field Is Conducive to the Reform

Li Peng said that the implementation of the policy of opening up to the outside world and invigorating the economy at home has aroused the enthusiasm of enterprises and the vast number of staff members and workers in China. However, at the moment, the new structure has just taken shape and still cannot replace the old one. During the period when the new structure is replacing the old one, a small number of lawless elements may take the opportunity to engage in criminal activities. China takes a stern attitude toward criminal activities in the economic field. But no movement is to be launched against these activities, and every action will be taken fully in accordance with legal procedures.

At the same time, we must improve various laws, rules, and regulations, and draw a clear demarcation line between normal economic operations and illegal activities. The drive to deal blows at criminal activities in the economic field will not affect the reform but will only ensure that the reform will go on along the right track. This will be a long-term struggle.

The Influence of the Slump in Oil Price

Li Peng said that China has signed contracts with companies from many countries for prospecting offshore oil. The recent oil price slump may possibly affect offshore oil prospecting work in China, and may also have some impact on the world economy. But so far we have not seen any direct impact on the cooperation between China and foreign companies in offshore oil prospecting. Just late March this year, two more American companies and one more Japanese company signed such contracts with China. We hope that entrepreneurs with foresight will not just see their immediate interests at the expense of their long-term interests. They should realize that China is a developing country with abundant resources and great potential for economic development.

Products Produced by Foreign-Owned Enterprises and Joint Ventures Should Enter the International Market

Li Peng said: We hope that products produced by joint ventures run with Chinese and foreign capital and by foreign-owned enterprises in China can be marketed on the international market. We hope that joint ventures will earn foreign exchange for China but not spend China's foreign exchange. China will also moderately open its domestic market to these enterprises if it does need to do so. But China cannot be the main market for these products. China will protect the profits these enterprises make in the country. They can remit their profits out of the country. China is going to formulate the relevant laws.

The Results of Price Reform Are Good

Li Peng said: We made a big stride forward in price reform last year. We have relaxed our control over prices of agricultural and sideline products, including meat; moderately raised the prices for short-distance railway transport service; and practiced the system of fixing the price of coal according to its quality. Generally speaking, the results are satisfactory. However, there are also some problems. For example, the prices of some agricultural and sideline products have been raised too high. This year we are to adhere to the principle of consolidation, digestion, replenishment, and improvement. This is not to retreat, but to make better progress. Price reform is the most important and difficult aspect of our economic reform. If we fail to satisfactorily readjust prices, it will be difficult for China to introduce a planned commodity economy. As the price issue has a bearing on the interests of enterprises and their staff and workers, as well as on the interests of all the people, we must handle it with great caution. Moreover, China's price reform is difficult because it is not a reform of an entire irrational pricing system. China's commodity economy is a commodity economy under the guidance of the state plan. China's pricing system is also a pricing system in a socialist economy. It differs from that in capitalist countries. Specialists estimate that China will need 5 years or even more to reform its entire pricing system.

XINHUA LINKS LIBYAN RAID, U.S.-USSR RIVALRY

OW301116 Beijing XINHUA in English 1053 GMT 30 Apr 86

["News Analysis: The Political Meaning of U.S. Strikes Against Libya (by Wu Jin)" -- XINHUA headline]

[Text] Beijing, April 30 (XINHUA) -- People around the world who were shocked by recent U.S. strikes against Libya, cannot but try to probe into the political meaning of such military action.

Was it simply Washington's accidental show of force or an indication that the United States would follow the same violent pattern in dealing with those small countries it dislikes?

What impact would this action have upon U.S.-Soviet relations?

Immediately after the U.S. carrier groups threateningly went into the Gulf of Sidra to carry out a "maneuver" and buzz Libya's missile bases on March 24-25, two leading U.S. newspapers published some knowing comments. Said a March 27 NEW YORK TIMES news analysis: "President Reagan believes he has succeeded in bringing about a more favorable Soviet-American balance of power, thus enabling him to act with greater freedom and decisiveness around the world." In a March 31 editorial, THE WALL STREET JOURNAL commented, "By inviting Col. al-Qadhafi to a confrontation if he wants one and being prepared to strike back, the President has proved he is not afraid to take risks abroad."

No sooner had the United States sent a large group of F-111 bombers to bomb Tripoli when President Reagan declared that the U.S. would punish Libya again if it continued to support terrorism aimed at American citizens. Making good use of his anti-terrorism theme, President Reagan has put Nicaragua in the same category as Libya. More noticeably, he threatened that his country would have no hesitation in attacking Iran and Syria if there was sufficient evidence that the two Mideast countries were involved in terrorist acts against the United States.

All this proves that what was published in THE NEW YORK TIMES news analysis and THE WALL STREET JOURNAL editorial is not far from truth. Since they were not isolated incidents, these military actions heralded a dangerous tendency in U.S. foreign policy. In fact, the U.S. strikes against Libya should not be regarded simply as actions of a superpower bullying a small country. They should also be measured against the background of the U.S.-Soviet rivalry.

Libya, which strongly opposes the U.S. policy towards the Middle East, buys huge amounts of munitions from Moscow -- over the last 15 years some 45 billion U.S. dollars worth -- and is considered to have particularly close relations with the Soviet Union. By no accident, the first targets of the recent U.S. air raids were none other than the missile bases the Soviets had helped build in Libya.

The U.S. Magazine BUSINESS WEEKLY said on April 28, "by bombing a Soviet client state, the administration has created political pressure on Gorbachev" and Moscow also regarded this action as a challenge to itself.

On the day Tripoli was bombed, Soviet leader Mikhail Gorbachev, who declared support for Libya and opposition to the U.S., describing the air raids as "a link in the chain of the challenging and provocative actions of the United States taken in response to the Soviet Union's peace initiative" and an action that was purportedly done to "damage the Soviet-U.S. relations." As a result, Moscow cancelled a meeting between U.S. and Soviet foreign ministers scheduled for mid-May. At the same time, the Soviet Union provided more advanced military weapons to Libya and sent three warships to Libyan ports.

The months following the U.S.-Soviet Geneva summit last November witnessed little progress in the disarmament talks, but rather saw the antagonism between the two superpowers increase. This was borne out by a message, titled "Freedom, Regional Security and Global Peace," submitted by President Reagan to U.S. Congress on March 14, in which the President stressed "America's stake in regional security."

"Through administrations of both parties," said Reagan, "American policy toward the Soviet Union has consistently set itself the goal of containing Soviet expansion. Today that goal is more relevant and more important than ever".

Obviously, the statement signals that the United States will step up its rivalry with the Soviet Union in all areas of the world on the grounds of "maintaining regional security."

Only 10 days after Reagan made the statement, described as "declaration of Reaganism," the United States unleashed an air attack on Libya. Apart from the Mediterranean, foreign intervention has fueled the turmoil in the Caribbean region, the Middle East and southern Africa. Such a situation indicates that the dangerous trend of escalating U.S.-Soviet competition for spheres of influence should be taken seriously.

Maintaining world peace is the common desire of the world's people and the two superpowers have no right to scramble for hegemony at the expense of small countries and world peace and security.

ENVOY BLAMES U.S. CONGRESS FOR UN FUNDING CRISIS

OW301148 Beijing XINHUA in English 1130 GMT 30 Apr 86

[Text] United Nations, April 29 (XINHUA) -- The U.S. Congress' demand for weighted voting on budgetary matters is directly responsible for the U.S. financial crisis, Liang Yufan, deputy Chinese permanent representative to the United Nations, said today.

Last August, the U.S. Congress adopted an amendment mandating big cuts in U.S. appropriations for the United Nations unless it introduces reforms and abandons the one-country-one-vote system in favor of a system of "weighted voting" to give large donors more decision-making power.

Liang said that all member states, big or small, powerful or weak, should have equal say and equal voting rights. "Herein lies the most essential expression of the principle of equality enshrined in the Charter," he said. "If voting rights were made proportionate to the assessed contribution of each member state," he added, the principle of equal rights laid down in the U.N. Charter "would be reduced to nothing more than empty words."

The United Nations determines the dues of its member states according to each country's gross national product and per capita income. Under a resolution adopted at the 40th session of the U.N. General Assembly on the scale of assessments for the contributions of member states to the U.N. budget for the financial years 1986, 1987 and 1988, the United States is required to pay 25 percent, France 6.3 percent, United Kingdom 4.9 percent, China 0.8 percent, and each of the 78 underdeveloped countries about 0.01 percent.

Liang said that after fulfilling its financial obligations as required by the relevant resolutions of the U.N. General Assembly, each member state enjoys equal voting right. "It would run counter to spirit of the Charter if any member state should arbitrarily decide on the scale of its contribution without approval by the General Assembly," Liang said.

Liang pointed out that the laws and decrees adopted by the legislative organs of a member state are valid only in that state, and "any attempt to impose one's own laws and decrees on the United Nations so as to exert pressure on the latter is in contradiction with international practice."

Referring to the call for reforms in the U.N. Organization and its principles, Liang said, "For a long time the United Nations Secretariat has suffered from overlapping organs, overstaffing and a proliferation of documents and meetings. This unsatisfactory state of affairs has not only hindered the secretariat from effectively fulfilling its mandate but has also added to the financial burdens on member states."

"Although the secretary-general has already taken some temporary savings measures," he added, "there are still great potentials to be tapped in improving efficiency and cutting expenditures."

He said that the Chinese delegation has always supported reforms and savings measures in the organization. However, "all reforms or streamlining measures should serve the purpose of enhancing the functions and role of the organization," he said.

NEWSPAPER VIEWS UPCOMING ROUND OF GATT TALKS

HK301001 Beijing GUOJI SHANGBAO in Chinese 21 Apr 86 p 3

[Article by Guan Mao: "The Preparation and Influence of a New Round of Multilateral Trade Talks"]

[Text] Through several years of deliberations and exchanging views, signatory states to the General Agreement on Tariffs and Trade (called GATT hereafter for short) are preparing for a new round of multilateral trade talks, the eighth round of multilateral trade talks following the "Tokyo round."

Regarding the objective of the new round of talks, all member states agreed that efforts should be made to contain and minimize protectionism, to improve the international trade environment, and to safeguard and strengthen the multilateral trade system so that international trade can develop in the direction of liberalization. As far as the topics for discussion in the new round of talks are concerned, signatory states widely agreed that trade in agricultural products, protection measures, tariff and nontariff barriers, and resolution of conflicts should be given priority. Disagreements are focused on new problems, such as invisible trade. Countries such as India and Brazil stressed that invisible trade does not fall into the category of the GATT, and therefore the GATT has no right to handle issues concerning invisible trade. However, developed countries contended that the rules and regulations and scope of the GATT should be developed in line with the changed structures of the world economy and trade and maintained that the problem of invisible trade should be included in the agenda of the new round of talks. The two sides have not yet, reached a consensus on the issue after repeated consultations. In November 1985, the GATT's 41st general meeting set up a preparatory commission for the new round of talks. The commission has so far completed the general examination and discussion work of some 20 topics for discussion and entered the stage of drafting documents. It will submit a written proposal concerning the propositions for the new round of talks in July of this year for examination and approval. By that time, the conference will issue a declaration, officially initiating a new round of talks.

Not only will the new round of talks have a great impact on the future development of the world economy and trade and the consolidation of the multilateral trade system, but it will also have close relations with the development of China's foreign economic relations and trade. The new round of talks will affect China's foreign trade mainly in the following areas:

1. Agricultural products. China has become an agricultural-product-exporting country from an agricultural-product-importing one as in the past. The volume of agricultural and sideline products exported occupies nearly one-fifth of the country's total export volume, becoming an important source for China's foreign exchange earnings. If, in the new round of talks, the rules and regulations concerning trade in agricultural products are revised and strengthened, tariff and nontariff barriers are minimized, and liberalization of trade in agricultural products is achieved steadily, this will provide favorable conditions for the expansion of China's export of agricultural and sideline products.

2. Invisible trade. In recent years, China's invisible trade has developed rapidly. The income from exports in 1985 totaled U.S. \$5.1 billion, constituting over one-fifth of the country's total commodities export volume. This has played a positive role in achieving a balance in China's international payments. The new regulations concerning international invisible trade, which are very likely to be adopted at the new round of talks, will have an impact on the country's effort to enter the international invisible trade market.

3. Reduction of and concessions on tariffs. Tariffs on China's development-deserving products on the international trade market are now comparatively high. In the new round of talks, these tariffs are likely to be reduced. This will play a positive role in minimizing the tariff barriers China must face in exporting its goods and increasing the competitive appeal of its products, and helping China earn more foreign exchange through more exports.

4. Protection measures and resolution of conflicts. With the development of China's economy and the expansion of its foreign trade, the restrictions to be imposed on the export of China's commodities and labor services and the trade conflicts resulting therefrom will also increase. The new round of talks will consolidate the multilateral trade system by improving protection measures and regulations concerning the resolution of conflicts. If the system is appropriately applied, it will provide our country with a relatively stable market for its expanded exports.

RADIO BEIJING ON INTERNATIONAL MONETARY REFORM

OW301046 Beijing in English to North America 1700 GMT 29 Apr 86

[Text] International monetary reform is once again making headlines in the United States as the Tokyo economic summit draws near. U.S. President Ronald Reagan expects the economic issues he and the other six leaders of the industrial nations will tackle at the summit will include ways to reform the world's currency exchange system. This is necessary because the present system restricts the flow of trade and investment. Here is Wei Hua with more.

Some American Government officials and economists predict the new exchange package would allow the values of the U.S. dollar, the German mark, the Japanese yen and other currencies to fluctuate within predetermined norms. The seven leaders would meet on a regular basis to coordinate their fiscal and monetary policies that are interwoven with exchange rates. These include growth margin, inflation and interest rates. The United States is at the forefront of this move.

Early in September the finance ministers of Britain, West Germany, France, Japan and the United States met in New York and agreed to lower the value of the U.S. dollar against other currencies. This was held by some Western economists as a landmark in international monetary reform. Washington's initiative to drive the dollar down through joint government intervention in the world financial market was a remarkable change in American policy. President Reagan had previously refused to do anything to redress the exchange rate imbalance, letting the free market work on its own. So it's intriguing to wonder what is behind the new approach.

A vice president of the New York-based Chemical Bank, (James Moore), says the basic idea is to keep the dollar down for the time being. This is an attempt to save American jobs by increasing exports to diminish the excessive Japanese trade surplus and to boost economic growth in Western Europe. Opinions in and outside the Reagan administration differ on whether the United States can succeed in persuading the Tokyo summit participants to go along with this plan. Proponents say the joint intervention to lower the dollar demonstrated the viability of the managed currency exchange scheme. They feel that the concerted action taken by the central banks of West Germany, Japan and the United States to cut their discount rates in March lent new credibility to their conviction. The dollar has dropped about 29 percent against the Japanese yen and 23 percent against the German mark since the New York meeting of the Group of Five. Opponents on the other side argue that the proposed arrangement might work for a while but not in the long run, because each country has its own specific economic conditions and strategic priorities. They insist that a convergence of economic policies can lead to mutually acceptable and stable currency exchange rates but not vice versa. Disagreements over cuts in interest rates also exist among the Group of Five industrial countries. The West German Central Bank has declined to follow its counterparts in Japan and the United States who reduced their discount rates. The German bank believes further cut could kick off an inflation spiral. The Japanese also do not see eye to eye with the Americans on the appropriate exchange rate between the yen and the dollar. The yen has risen to about 170 to the dollar from 240 to the dollar last summer. This sharp appreciation brought joy to American manufacturers because a weaker dollar can help spur American export, thereby narrowing America's huge trade deficit. Many American bankers tend to believe the unstable exchange rates are only a symptom rather than the real disease afflicting the current system. Many say the dollar's gyrations are directly attributable to the Reagan Administration's huge budget deficits.

Nobel Prize winner economist Milton Friedman feels a sound monetary system should be developed first by individual nations. He says reforms must work from the individual country out rather than from the world in.

That was Wei Hua with a look at the international monetary reform.

U.S. OFFERS USSR AID IN NUCLEAR PLANT ACCIDENT

OW301056 Beijing XINHUA in English 1040 GMT 30 Apr 86

[Text] Washington, April 29 (XINHUA) — The United States has formally offered the Soviet Union assistance to deal with a nuclear power plant accident that reportedly took place on Saturday in Kiev, Ukraine, the state department announced here today. The offer was made by Rozanne Ridgway, Assistant Secretary of State for European and Canadian Affairs during a meeting with Soviet Charge d'Affaires Oleg Sokolov this morning, government spokesman Charles Redman said.

He said that on behalf of President Ronald Reagan, Ridgway expressed "deep regret over the accident at the Chernobyl atomic energy station".

"We hope casualties and material damage are minimal. The United States is prepared to make available to the Soviet Union humanitarian and technical assistance in dealing with this accident," she said.

The Soviet Union today confirmed that two people were killed in the nuclear power plant mishap. But some unconfirmed news reports said the death toll may be much higher. According to the Soviet news agency TASS, local residents in three nearby areas have been evacuated and those affected are receiving medical treatment. But it did not say how many people were injured. The Kiev area has about 3.5 million inhabitants.

Redman told reporters that the Soviet Union has not yet asked for any U.S. assistance so far although it is aware of the kind of help the United States could provide.

"The United States is seeking additional information on the accident and has requested the closest possible coordination among all concerned countries. We hope the Soviet Union will provide information about the accident in a timely manner," he said.

He added that the U.S. administration is "in contact with the Soviets on the safety" of U.S. citizens in the affected areas.

Earlier, White House spokesman Larry Speakes, who is accompanying President Reagan on his Asian tour, told reporters that the Soviet Union did not independently notify the United States of the accident.

XINHUA NOTES NIXON PRAISE FOR PRC ACHIEVEMENTS

OW301910 Beijing XINHUA in English 1853 GMT 30 Apr 86

[Text] New York, April 30 (XINHUA) -- Former U.S. President Richard Nixon has said that the current open policy and economic reform was "a very courageous action" on the part of Chinese leaders. In a recent interview in his office here with the special TV program "The Global View," Nixon said "it has been a policy which has had in summary a very dramatic success."

Speaking highly of the achievements China has made since it began carrying out its open policy and economic reform in 1979, he particularly mentioned China's achievements in agriculture. He said that one of the tragedies in Third World countries was that agriculture had not moved forward after their independence. "But China, the country with one billion people and not very great tillable land available, is now producing enough to feed itself and even has some more food for export. That was not the case before 1979, not the case really in China's history," he stressed. Nixon described the changes in China as "a great significant development" which Chinese leader Deng Xiaoping and his colleagues "must take credit for." He said that China's economic development would surely have great impact on other Third World countries.

Nixon said the United States and China had made "spectacular" achievements in developing their relations in the short period since he visited China in 1972. Last year about 200,000 American tourists went to China. Over 12,000 students from the People's Republic of China are now studying in the United States and the annual two-way trade has reached eight billion U.S. dollars.

The restoration and development of Sino-U.S. relations, Nixon noted, was beneficial to the stabilization of world situation. If there had been no breakthrough in their relations in 1972, he said, "the world today would be much more dangerous and much less peaceful." The former U.S. President noted that the economic cooperation between the United States and China was still lagging behind what he expected in 1972 and urged the two great nations to strengthen their economic cooperation.

"China, on one hand, is a huge country. It has very intelligent people of one billion. It has enormous natural resources and some of them have not been developed yet. On the other hand, the United States, Japan and West Europe have tremendous technology. If they, who have very different systems, can match each other and complement each other, it will create benefits for both."

"The Global View" program is intended to introduce to the Chinese people advanced science and technology of enterprises in the West and their experience in management and training.

U.S. MAY SCRAP SECURITY PLEDGE TO NEW ZEALAND

OW301208 Beijing XINHUA in English 1158 GMT 30 Apr 86

[Text] Washington, April 29 (XINHUA) -- The United States today threatened to suspend its security obligations to New Zealand under the ANZUS (Australia-New Zealand-U.S.) treaty if New Zealand still refuses U.S. ship port calls to that country. U.S. State Department spokesman Charles Redman told reporters today that the United States has indicated since last summer that in the event legislation is enacted in New Zealand which "reinforces a port call, we will review our security obligations to New Zealand under the ANZUS Treaty." He added the probable result of such a review "would be suspension of our security obligations to New Zealand."

In order to avoid such an outcome, the spokesman said, "We have been in diplomatic contact with New Zealand, seeking to restore normal port access in accordance with our neither-confirm-nor-deny policy." However, Redman declined to say whether August is the deadline for settling the issue. He said the August dates perhaps come up in the context of the U.S.-Australian bilateral ministerial meeting which will be held in San Francisco on August 11 and 12. He said the ANZUS meeting was deferred last year by Australia as its host, and the U.S. will "defer an ANZUS council meeting this year unless normal port access is restored in New Zealand in accordance with the neither-confirm-nor-deny policy."

New Zealand refused U.S. ship calls to the country last year unless the U.S. declared there were no nuclear weapons aboard, but the U.S. refused to do that. The U.S.-New Zealand relations have been worsening since then.

THE NEW YORK TIMES reported today that the United States has informed Australia and New Zealand that it will formally scrap its 35-year old defense commitment to New Zealand if New Zealand goes ahead with legislation to ban visits by nuclear-armed or nuclear-powered ships. However, according to the paper, the United States and Australia will "together keep the ANZUS Treaty alive."

The ANZUS Treaty was signed in San Francisco on September 1, 1951, which says that in the event of an armed attack in the Pacific area on any one of them they would "act to meet the common danger."

JOURNAL ON U.S. POLICY TOWARD DICTATORSHIPS

HK300907 Beijing SHIJIE ZHISHI in Chinese No 8, 16 Apr 86 pp 11, 12

[Article by Jing Lin: "Echoes in the Philippines"]

[Text] There is much talk among people on the other side of the Pacific Ocean about Ferdinand Marcos fleeing his country in dejection. The talk centers on what military strategy the United States will take toward "a dictatorial regime" in the days to come rather than on whether Marcos or Aquino is superior. How to deal with "nondemocratic allies" has always been a knotty problem for the United States. In the 1950's, that President Dwight Eisenhower was "tied too fast with" Cuban autocrat Fulgencio Batista resulted in an open revolt by the Cuban people, who ultimately won victory in their revolution. For this, Eisenhower was repeatedly reproached by people in the U.S. ruling circles. In the 1970's, President Jimmy Carter flaunted the banner of "human rights diplomacy." Conservative contender Jeane Kirkpatrick critically said: This policy has led to the emergence of regimes in Iran and Nicaragua which are much more hostile to the United States, replacing "a minor evil with a major one." "Choose the lesser of two evils." Out of consideration of the interests of the United States, she would rather support a dictatorial regime.

Supporting dictatorial regimes and opposing democratic reforms are apparently contrary to the traditions of Thomas Jefferson and Abraham Lincoln of which the American people are proud. Nevertheless, Kirkpatrick's formulation is completely identical to the theory of the realist school of international relations. The principal proponent of the theory, Hans Morgenthau, advanced in 1948 a famous thesis which has become classic: That is, a politician thinks and acts in line with "the interests defined by power (or might.)" "In other words, what is relied on in international relations is power and what is pursued in such relations is interest. As far as morality is concerned, the United States "is intoxicated with the abstract concept of morality. This is the important cause for the weaknesses and failure of its foreign policy."

After the Philippine incident, although the debaters aired diverse and conflicting opinions, they were still in the framework of the basic theory of the realist school and all based on the "national interests" of the United States. The contenders of the liberal school demanded the United States "go all out to support the democratic opposition movement" in the days to come and to do so "substantially in advance" in terms of time, because Washington's reluctance to quickly abandon its support for Marcos has left "the Philippine people a detestable legacy." Kirkpatrick adhered to her proposition and once again appealed to not pursue the so-called "replacing a minor evil with a major one" policy. It seems that the neoconservatives are inclined to ignore the Philippine pattern. They advocated "a third tactic;" that is, striving to help and support "the centrist, democratic third force" -- a force that intends to free itself from a dictatorial regime on the one hand and to prevent the emergence of a revolutionary regime on the other. An article in the weekly TIME expounded the tactic and said: A dictatorial regime is "most apt to lead to communist insurgence" and a democratic administration is "the most reliable ally of the West" and can win the trust of the American people. Of course, before there is any prospect for the emergence of a third force, they maintain that the Kirkpatrick doctrine must remain applicable.

Henry Kissinger also wrote an article entitled "The Purity and Security of the United States." It says that we must give consideration to both the "purity" of the "concept of value" and security. If the government of a "friendly country" is overthrown and if we are unable to help form a government to replace it, "Can the national security of the United States be maintained?" He expresses "anxiety" over the fact that "any objection to the U.S. ultimate abrupt separation with its old ally is almost impermissible."

He worries what would happen to the United States if some allies had to "keep a distance" from their American friends because they thought they were unreliable and changeable and keen on interfering in the internal affairs of other countries.

In the face of the diverse and confused opinions, what actions have American policy-makers taken? They have all along been followers of the study of interest. When receiving the Hans Morgenthau memorial award last year, George Shultz thoroughly developed the theory of this "forerunner." He said "Our foreign policy cannot be based on 'The absolute theory of morality which is divorced from political reality.'" He urged the combination of ideals with realism and moral principles with "national interests." If the two were contradictory, apparently he would urge morality be subordinate to interest. Shultz' following remarks are exactly the same as Kirkpatrick's statement: Some of our allies are not always up to our standards of "free and democratic administration." However, "We cannot discard them." Otherwise, the new government may possibly be "hostile to our interests." Ronald Reagan has special partiality for the Kirkpatrick doctrine. In 1980, when he just assumed the office of President, declaring his position at this first press conference, he said: "We must not turn our back on countries that do not completely agree with our proposition on human rights in some aspects." However, today they are singing praises of morality. On 14 March, Reagan told the American Congress that he was "opposed to tyranny of any form, be it leftist or rightist," because he "believes in human rights." Shultz said that democratization in the Philippines was more important than the U.S. bases in the country.

Have they really been converted to the "absolute theory of morality" and sincerely believe that morality is more important than interest? No imbecile would believe this. Interest is still the starting point and end result of U.S. foreign policy. The problem is that interest cannot be expanded a one pleases. As Hans Morgenthau said, it was "defined by power." Preventing the anti-autocracy struggle from developing is now out of the reach of the "power" of the United States. That the United States can affect the process of democratization has become the greatest interest that it can strive to get.

Foreign press circles are trying their best to discover the significance of the following actions: Congressman Thomas Foglietta asserted in Seoul that there were similarities between the political situation of South Korea and that of the Philippines; Assistant Secretary for African Affairs Chester Crocker expressed his approval for "a majority rule" in South Africa; and the U.S. delegate to the UN Commission on Human Rights for the first time expressed concern over "violation of human rights" in Chile. There is a speculation among people that these actions may be the application of the "third force tactic" or the expression of Reagan's so-called "opposition to rightist tyranny." However, the most fundamental significance of these actions lies in the fact that they reflect only an estimation of the limits of U.S. power and interest under current conditions.

Some 20 years ago, John Kennedy, swollen with arrogance, bragged that "to ensure the existence and success of freedom," the United States "is prepared to pay any price, to shoulder all heavy burdens, to cope with all difficulties, to support all friends, and to oppose all enemies." But before long the United States suffered a defeat in its war of aggression against Vietnam and a reduction of strength overseas. Reagan became President as a staunch conservative. Taking the rejuvenation of national strength as his own duty, Reagan posed an uncompromising stance in dealing with affairs concerning the Third World. However, the situation is more than people can control. Although U.S. military strength has actually been enhanced considerably, Shultz still had to admit that "we are not all-powerful." The people who hold power in the United States are still "realists" who believe in power and interest. This is the main information they revealed following the Philippine incident.

MOSCOW DENIES THOUSANDS KILLED IN NUCLEAR MISHAP

OW010646 Beijing XINHUA in English 0636 GMT 1 May 86

[Text] Moscow, April 30 (XINHUA) -- The Soviet Union today denied that thousands of people were killed in the accident at the Chernobyl nuclear power plant over the weekend and said 197 people were hospitalized while only two had died. A statement from the council of ministers also said in the past 24 hours, the emanation of radioactive substance decreased and radiation levels around the nuclear station were dropping. Efforts were continuing to mitigate the consequences of the nuclear plant disaster, it added.

"Some news agencies in the West are spreading rumors that thousands of people, allegedly, perished during the accident at the atomic power station," said the government statement, read over this evening's TV news program. Unconfirmed Western news reports said the death toll was higher than 2,000 from the disaster, which some nuclear experts said was the worst civilian nuclear accident.

The statement said only two were killed in the accident as reported earlier and 197 were hospitalized. Forty-nine of them had been discharged from hospital after a medical check-up, it said. The statement also claimed measuring results showed that the chain reaction of fission of nuclear fuel did not occur and the reactor was in a state of dying down. It said special technical troop units were cleaning polluted areas.

The evening news program showed a black-and-white photograph of what was said to be the Chernobyl nuclear power station, 129 kilometers north of Kiev, capital of the Ukrainian Republic. The picture, which an announcer said was taken soon after the accident, showed part of a station building collapsed but no fire and smoke were seen.

NEW SOVIET AMBASSADOR TAKES UP POST

HK290910 Hong Kong AFP in English 0902 GMT 29 Apr 86

[Text] Beijing, April 29 (AFP) -- The Soviet Union's new ambassador, Oleg Troyanovskiy, considered one of the Kremlins top diplomats, arrived here Tuesday to take up his post, East European sources said.

The posting [of] a diplomat of his stature here reflects the importance the Soviet Union accords to its links with China, Western diplomats here said. Relations between the two, which had a major falling out in the early 1960's, have improved since negotiations on normalization began in 1982.

Mr Troyanovskiy, 67, who arrived on a flight by China's national airline CAAC from Moscow, replaces Ilya Shcherbakov, 73, who is retiring after holding the post since 1978. A diplomat since 1944, the new ambassador represented his country at the United Nations from 1976 to last March. He was ambassador to Tokyo from 1967 to 1976 and is an Asian specialist.

The son of the first Soviet Ambassador to the United States, Mr Troyanovskiy also was an interpreter for late Soviet Premier Nikita Khrushchev. He made several visits to China in the 1950's.

LI XIANNIAN GREETES JAPANESE EMPEROR ON BIRTHDAY

OW010222 Beijing in Japanese to Japan 0930 GMT 29 Apr 86

["Congratulatory Message" on 29 April from PRC President Li Xiannian to Japanese Emperor Hirohito on Hirohito's 85th birthday]

[Text] On this occasion of the 85th anniversary of Your Majesty's birth and the 60th anniversary of Your Majesty's reign, I offer my sincerest congratulations. While offering my congratulations on Your Majesty's health and longevity, the prosperity of your country, and the well-being of your people, it is my wish that the friendly and good-neighborly relations between China and Japan will constantly develop and that the friendship between the peoples of our two countries will continue from generation to generation.

JAPAN CONCERNED ABOUT SOVIET NUCLEAR ACCIDENT

OW301228 Beijing XINHUA in English 1219 GMT 30 Apr 86

[Text] Tokyo, April 30 (XINHUA) -- The Japanese Government is going all out to collect information about the Soviet nuclear accident and is considering diplomatic steps to cope with possible consequences of the mishap, local press reported today.

Two people died in the accident at the Chernobyl power plant of Kiev, according to official Soviet accounts. However, unconfirmed Western news reports said the death toll from the disaster may be higher than 2,000. Some nuclear experts believe the accident may be the worst civilian nuclear accident. According to local news reports, the Japanese Government tried Tuesday to collect information about the accident from the Soviet Embassy in Japan. The accident reportedly occurred Saturday, but was officially reported by the Soviet news agency TASS only on Monday.

Government sources believe that it is possible that the Soviet Union announced the accident quickly because of the graveness of the accident. They said if it is true that the Soviet Union had asked Federal Germany and Sweden for cooperation, it would mean that the accident was so serious that it posed an international problem. They said that the Japanese Government would adopt corresponding diplomatic steps and that it would exchange information with other Western countries and discuss ways for cooperation.

In a speech last night, Prime Minister Yasuhiro Nakasone expressed Japan's willingness to cooperate with the Soviet Union on the matter. He said if asked for cooperation, Japan would help the Soviet Union with its technology to find out the cause and consequences of the disaster and take necessary protective measures.

Nakasone Offers Assistance

OW301946 Beijing XINHUA in English 1927 GMT 30 Apr 86

[Text] Tokyo, April 30 (XINHUA) -- Japan today expressed its concern over the Soviet nuclear leakage which took place at an atomic power plant north of the Ukrainian city of Kiev Monday and offered its cooperation in fighting the effects of the accident. Meeting outgoing Soviet Ambassador Pyotr Abrasimov here today, Japanese Prime Minister Yasuhiro Nakasone said that his government is concerned over the accident and that his country will offer medical help if the Soviet Union requests it.

Earlier today, leading officials from the Ministries of Foreign Affairs, Transportation, Agriculture, Forestry and Fisheries and the Defense Agency were called to a meeting to exchange information on the Soviet nuclear accident and take measures against possible nuclear radiation in Japan.

The government also decided to strengthen the system of nuclear radioactivity determination in the whole country.

Meanwhile, according to the JIJI PRESS, Foreign Minister Shintaro Abe who was also present at the meeting expressed the hope that the Soviet Union would take a positive attitude and enable him to visit Moscow at an earlier date. Abe had already let the Soviet Union know of his wish to visit Moscow through diplomatic channel before.

ROUNDUP VIEWS SOUTH KOREA SIGNATURE CAMPAIGN

OW291555 Beijing XINHUA in English 1535 GMT 29 Apr 86

["Round-up: Signature Campaign in South Korea Enters New Stage" (by Gao Haorong) -- XINHUA headline]

[Text] Pyongyang, April 29 (XINHUA) -- The signature campaign for constitutional revisions in South Korea entered the second stage at a rally in Chongju, North Chungchong Province, to inaugurate the Chongju chapter for constitutional amendments. Opposition leaders vowed to hold rallies in big cities every other week and announced that the protestors will increasingly take to the streets. More than 20,000 citizens attended Sunday's rally sponsored by the leading opposition New Korea Democratic Party [NKDP] and the Council for the Promotion of Democracy.

In his speech at the rally, Kim Yong-sam, standing advisor to the NKDP and co-chairman of the Council for the Promotion of Democracy, said the current South Korean situation "has reached a point where the authorities can no longer reject the overwhelming people's desire for democratization."

"The tide has turned and nobody can stop this overflowing democratic zeal. If anyone tries to stop this flood, he will get drowned," Kim Yong-sam said.

It was the fifth such rally in a month organized by the NKDP and the Council for Promotion of Democracy. The rallies have been staged to pep up a nationwide campaign to collect 10 million signatures on a petition calling for early constitutional changes to allow elections by popular vote. Similar and larger rallies have already been held in Seoul and bigger provincial cities such as Pusan, Taegu, Taejon and Kwangju. More than 100,000 people attended those rallies.

The signature campaign has gathered increasing support on university campuses as well as from the Roman Catholic and Protestant churches. According to reports, more than 10,000 Christians and 6,000 Catholics have joined the campaign. Nearly 600 professors from more than ten universities have also expressed their support for the campaign.

The NKDP held a series of meetings recently and consulted with the Council for Promotion of Democracy on the plans ahead. On April 24, "anti-government" leaders in South Korea decided to form a ten-member committee of the NKDP and four other "anti-government" organizations to strengthen coordination.

The second stage of the signature campaign demonstrates the firm and uncompromising attitude of the opposition parties on the constitutional amendments, their intention to build more mass support, and their determination to improve the organization and planning of their campaign. Observers here believe that the signature campaign for constitutional amendments increasingly pits the ruling and opposition parties in South Korea against each other. And that will have great impact on the South Korean political situation.

COMMENTARY CRITICIZES SRV'S STANCE ON CGDK PLAN

OW301854 Beijing XINHUA in English 1844 GMT 30 Apr 86

["Commentary: Vietnam's Reasoning Untenable" (by Tang Tianri) -- XINHUA headline]

[Text] Beijing, April 30 (XINHUA) -- Foreign ministers of the six ASEAN nations in a joint statement yesterday urged Vietnam to reconsider its refusal of the eight-point proposal made by the Coalition Government of Democratic Kampuchea (CGDK) and negotiate with the CGDK. The same appeal had been made earlier by Thai Foreign Minister Sitthi Sawetsila when he met his Vietnamese counterpart Nguyen Co Thach in Bangkok, but the latter rejected it right away.

The CGDK's eight-point proposal, unveiled on March 17, called for a two-phase military pullout by Vietnam from Kampuchea and the formation of a four-party coalition government including the Hanoi-installed Heng Samrin regime. But Hanoi quickly turned down the proposal.

Reasoning for Hanoi's refusal to reconsider the proposal, the Vietnamese foreign minister claimed that the Heng Samrin regime was the "sole legitimate representative" of Kampuchea which controlled the whole country and therefore could not accept the idea that it would be given only one-fourth of the power. Such reasoning, however, does not hold water.

The reality is that with some 200,000 Vietnamese troops stationed in Kampuchea, the Heng Samrin regime means nothing but a puppet at Hanoi's beck and call in political, military and foreign affairs.

Apart from its occupation troops, Hanoi has also set up a "Kampuchea working committee" code-numbered 478, which is known as the backstage ruler of the country. The committee has been manipulating the Heng Samrin regime and its army through "advisers" and "specialists." That is why it has been accepted neither by the Kampuchean people nor by the international community.

The CGDK's proposal is reasonable and magnanimous. Despite the fact that the Heng Samrin regime is illegitimate, the proposal, in the spirit of national unity and reconciliation, allows the regime to share political power equally with the current three parties of the coalition government. Under such a government, Kampuchea will become an independent, unified, neutral and non-aligned country without any foreign troops on its soil, and it will live in peace with Vietnam.

The international community has expressed welcome and support to the CGDK's eight-point proposal. It maintains that the proposal has opened a practical way to realizing a political solution to the Kampuchea problem in the interests of both the Kampuchean people and Vietnam as well as peace and stability of the Southeast Asian region.

Hanoi's refusal to let the Heng Samrin regime join the coalition government in defiance of the call by the ASEAN nations and world public opinion can only be seen as an attempt to perpetuate its occupation of Kampuchea through the regime and make the country a beachhead for its expansion in the Southeast Asian region.

This ambition, however, runs counter to the interests of the peoples in the area and has naturally met with strong opposition from the Kampuchean people and all justice-holding nations in the world. To persist in the ambition, Hanoi will only further isolate itself internationally.

RENMIN RIBAO ON ISRAEL'S 'NEW MARSHALL PLAN'

HK281531 Beijing RENMIN RIBAO in Chinese 26 Apr 86 p 6

["Jottings" column by Meng Kui: "Pretending To Be Philanthropic"]

[Text] While the Middle East peace process is stagnating, the Israeli Prime Minister Shimon Peres recently put forward a "New Marshall Plan" which suggests Western Europe, Japan and other developed countries provide development funds worth several billion U.S. dollars to the economically backward Arab countries so as to realize peace and stability in the Middle East. Israel, which had always been hostile to the Arab countries, seemed very "philanthropic" this time.

However, if people think about it carefully, they will find that the Arab-Israeli conflict which has lasted for decades, and the several Middle East wars stirred up by the conflict, were not caused by the poverty of the Arab countries, but by Israel's policy of aggression and expansion. Peres clearly knows that so long as Israel returns its occupied Palestinian and Arab territory, and wholly restores the national rights including the right of self-determination and the right to establish a country to the Palestinian people, peace and stability in the Middle East will be guaranteed. "Whoever starts the trouble should end it." So in fact, Peres should not have issued a call to the developed countries.

Israel, as one of the main parties in the Arab-Israeli conflict, has neither responded to the peace proposal put forward by the Arab countries nor helped to push forward with the peace process in the Middle East, but has instead, obstructed it. While Israel still refuses to return occupied Arab land and resources, it seems that Peres is pretending to be philanthropic in talking about the development and stability of the Arab countries. Without lasting peace, how can you talk about development and stability? So, it was no surprise that as soon as Peres' "New Marshall Plan" came out, it was denounced by the Arab countries.

YAR DELEGATION ARRIVES 29 APR; GIVEN BANQUET

OW301601 Beijing XINHUA in English 1538 GMT 30 Apr 86

[Text] Beijing, April 30 (XINHUA) -- Zheng Tuobin, minister of foreign economic relations and trade, gave a banquet for a trade delegation from the government of the Yemen Arab Republic led by minister for supply and trade Fu'ad Qayd Muhammad, here this evening.

Zheng said that the Chinese government and people very much treasure the sincere friendship and cooperation between the two countries, and desire to continue their efforts to further promote bilateral relations under the principles of equality, mutual benefit and common development.

Fu'ad said, since Arab Yemen and China established friendly relations nearly 30 years ago great progress has been made in bilateral trade and other areas. He expressed the hope for further development of such relations.

The delegation arrived here yesterday at the invitation of minister Zheng. This morning the two ministers held talks.

I. 1 May 86

C H I N A
PRC NATIONAL AFFAIRS

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LEADERS, EDITORIAL MARK MAY DAY IN NATION

Zhao Ziyang, Li Peng in Hubei

OW010254 Beijing XINHUA Domestic Service in Chinese 1705 GMT 30 Apr 86

[By reporter Xie Bangmin]

[Text] Wuhan, 30 Apr (XINHUA) -- This evening Zhao Ziyang, member of the Standing Committee of the Political Bureau of the CPC Central Committee and premier of the State Council; Li Peng, member of the Political Bureau of the CPC Central Committee and vice premier of the State Council; and Wang Renzhong, vice chairman of the NPC Standing Committee, joined model workers, cadres, and other people from Yichang Prefecture, Yichang City, and the Gezhouba Engineering Bureau to Celebrate 1 May, International Labor Day, in Yichang City, Hubei Province.

Premier Zhao Ziyang and others arrived in Yichang after inspecting mountain areas between Hubei and Sichuan. After their arrival in Yichang on the eve of May Day, they zestfully visited the key Gezhouba water control project and called on hydropower workers there. This evening, Premier Zhao Ziyang, Vice Premier Li Peng, and Vice Chairman Wang Renzhong met with representatives of model and advanced workers, engineers, technicians and teachers from Yichang Prefecture, Yichang City, and the Gezhouba Engineering Bureau, held a discussion with them, and extended festival greetings to them.

At the discussion, Zhao Ziyang said: Our country's Sixth 5-Year Plan was successfully fulfilled, and we started the Seventh 5-Year Plan this year. We have successfully fulfilled the Sixth 5-Year Plan mainly because we carried out reforms. Whether the Seventh 5-Year Plan can be successfully carried out hinges mainly on reform. During the Seventh 5-Year Plan, priority should be given to reform. How the reform will be carried out during this period will affect not only the Seventh 5-Year Plan but also the Eighth and Ninth 5-Year Plans and also the next century. Therefore, the Seventh 5-Year Plan is a critical period for reform. Reform will lead to the development of production and economic prosperity, from which workers, peasants, intellectuals, and other people of all nationalities will benefit. Then the situation in various aspects of our country will further improve.

Zhao Ziyang added: Reform is quite complicated, and we will encounter many difficulties in the course of reform. We should be prepared to cope with and overcome temporary difficulties and carry our reforms firmly and effectively. Reform is the key to successfully implementing the Seventh 5-Year Plan, and the success of reform depends on support from the broad masses of people. He hoped that people of all nationalities throughout the country would participate in the great cause of reform and that members of the working class would vigorously carry out reforms.

Comrades Li Peng and Wang Renzhong also spoke at the discussion. Comrade Li Peng pointed out: To carry out reforms, it is necessary to have qualified people, and education is the foundation for training such people. He hoped that everyone would make efforts to do a good job in education.

Following the meeting, Zhao Ziyang, Li Peng, and Wang Renzhong attended a local soiree marking May Day.

Beijing Celebrations

OW010838 Beijing XINHUA in English 0824 GMT 1 May 86

[Text] Beijing, May 1 (XINHUA) -- Party and state leaders joined more than 100,000 people from all walks of life and foreign friends in celebrations here to mark the centennial of May 1 today.

It was bright and sunny today, with red flags fluttering in a breeze on tall buildings along the Changan avenue. From early morning, holidaymakers, bringing along the old and the young, flocked to the Beijing Working People's Palace of Culture and the Zhongshan park located in the center of the capital, the two main public sites for festival celebrations. The culture palace and the Zhongshan park were decorated with colorful bunting, flowers and garlands for the festive occasion and, at their entrances, several hundred children sang and danced to the accompaniment of music to greet holidaymakers. Among the slogans on the streamers hung over there were to strengthen the unity with the people of all countries and work for peace, development and human progress and those to call the Chinese people to contribute to the fulfillment of their Seventh Five-Year Plan (1986-90).

Among the party and state leaders who visited these two public sites and watched a variety of performances today were Ulanhu, Wan Li, Xi Zhongxun, Fang Yi, Tian Jiyun, Qian Shi, Yang Shangkun, Yu Qiuli, Hu Qili, Yao Yilin and Ni Zhifu.

Former Vietnamese leader Hoang Van Hoan, and visiting President Carmen Pereira of the Guinea-Bissau National People's Assembly, members of the Zairian People's Revolutionary Movement delegation, and trade union delegations from Asia, Africa, Latin America and Europe, as well as a delegation from Hong Kong and Macao trade unions also took part in the May Day celebrations in these two parks. Moreover, 3,000 model workers and combat heroes of the People's Liberation Army from all over China ascended the Tiananmen rostrum today as part of their May Day celebration activity. According to an official of the Beijing municipal government, however, about 210,000 industrial workers in the Chinese capital were still working today, and shop assistants and bus drivers and conductors are even busier than usual.

RENMIN RIBAO Editorial

OW301933 Beijing XINHUA Domestic Service in Chinese 1620 GMT 30 Apr 86

[RENMIN RIBAO 30 April Editorial: Plunge Into the Great Current of Reform -- Commemorating the Centenary of May Day]

[Text] Beijing, 30 Apr (XINHUA) -- One hundred years ago today, several hundred thousand workers in Chicago and other places in the United States, singing the battle song "We Want To Change the World," marched in the street to stage a general strike for an 8-hour work day. After a soul-stirring, bloody battle, the strike prevailed. The struggle enabled the working class the world over to realize the importance of unity. At the inaugural meeting of the Second International held in Paris in July 1889, it was decided that 1 May, a symbol of the working class' unity in struggle to win victory, be the common holiday of the international working class. Since then, working people of many countries have held rallies on 1 May to review their strength, and May Day has become a holiday of unity in struggle by workers all over the world.

Over the past century, tremendous changes have taken place in the world, and China has undergone an earth-shaking revolution. Today, as the masters of the country, China's working class and people of all nationalities join the working class and laboring people of the world in solemnly commemorating the centenary of May Day. Facing a vast scroll depicting the tempest of history and future struggles, victories and setbacks, and ideals and realities, the Chinese working class is deeply aware of the arduous historical mission they have shouldered, that is, they must, under the CPC leadership, work in unity with the masses of peasants and other laboring people and patriots and persist in making reforms and opening to the outside world in order to build China into a modern socialist country with a high degree of civilization and democracy.

The Chinese people are at a new starting point. The just-concluded Fourth session of the Sixth NPC has approved in principle the "Seventh 5-Year Plan of the People's Republic of China for National Economic and Social Development." Fulfillment of the Seventh 5-Year Plan, focused on reform, will enable China to basically start a new economic operational system, score major advances in the socialist modernization drive, and achieve progress on the road to make the country strong and prosperous and the people happy and better off, thereby further revealing the superiority of China's socialist system. The promulgation of the plan, an important event in the Chinese people's political and economic life, has attracted the attention of people in many countries. As the leading class of the country, China's working class must unite people of all nationalities to plunge into the great current of reform and fulfill the tasks of the Seventh 5-Year Plan in all fields. Workers, peasants, intellectuals, and other laboring people and patriots, fighting on the frontline of production, management, scientific research, teaching, and other trades and professions, should display the spirit of the foolish old man who removed the mountain and make the best use of their wisdom and talent. As the mass organizations of the working class, trade unions should unite and lead the large numbers of workers and staff in promoting reform in all fields and working for the accomplishment of the Seventh 5-Year Plan.

Comprehensive economic structural reform, focused on the urban economy, is an extensive and penetrating social transformation from an old system to a new one, which can produce a strong impact on long-established models, conventional concepts, and habitual forces that are incompatible with the expansion of productive forces. The gigantic waves of reform have pushed us to a new height and enabled us to see a new horizon and the wide road of socialist modernization. As the representative of advanced productive forces, the working class are the people with the least conservative thinking, and therefore should even more conscientiously stand on the frontline of reform. The large numbers of workers and staff should diligently study Marxism in the light of the special characteristics in the country during the new period. They should deepen their understanding of reform, be aware of the necessity and arduous nature of reform, and steadfastly carry out the basic policies of opening to the outside world and invigorating the domestic economy. They should also diligently study and grasp modern science and technology, general knowledge, and advanced management experience; continuously raise their political awareness and professional competence; strengthen their organization discipline; and play an exemplary role in building socialism in both the material and spiritual civilizations.

The undertaking of China's revolution and construction is inseparable from supporting and assisting the working class the world over and people in other countries. In this "International Peace Year," the Chinese people, who are now the masters of their own destiny after suffering from the wars of aggression launched by colonialists and imperialists against China for nearly a century, feel even more keenly the great value of a peaceful life. Proceeding from the vital interests of the Chinese people and people the world over, we will join the people of other countries in learning from and supporting each other and enhancing unity to jointly oppose hegemonism, safeguard world peace, and strive for the progress of mankind.

Bo Yibo at Hunan Rally

OW302316 Beijing XINHUA Domestic Service in Chinese 1546 GMT 30 Apr 86

[By reporter Zhang Zaihua]

[Text] Changsha, 30 Apr (XINHUA) -- Speaking at a rally commemorating the centenary of May Day in Hunan on 29 April, Bo Yibo, vice chairman of the Central Advisory Commission, said: The current reform is a task of prime importance for the Chinese working class, and one on which their immediate and long-range interests rely. Bo Yibo attended the May Day rally in Changsha on 29 April together with Hunan provincial party, government, and Army leaders. He presented the May Day Labor Medal to 38 advanced model workers. Bo Yibo and Mao Zhiyong, secretary of the Hunan provincial party committee, spoke at the rally. Bo Yibo said: The reform is another revolution concerning the future and destiny of China, and it is of decisive importance to China's development in the next several decades. The reform is undoubtedly a task of prime importance for the Chinese working class, and one on which their immediate and long-range interests rely. He urged the working class to persist in making reforms, be courageous in blazing new paths, study diligently, and work hard and in a down-to-earth manner to deepen the reform.

PAPER COMMENTS ON PROGRESS IN REFORM

HK010408 Chongqing CHONGQING RIBAO in Chinese 20 Apr 86 p 1

[Commentator's article: "Looking Back on Past Events Does Not Mean Turning the Clock Back"]

[Text] When climbing mountains, people often take a short rest and look back down the mountain. Those who have strong will power become more interested in the climbing when viewing the green scenery below and push themselves to climb the peak, while those with weak will power are filled with fear of the difficulties in the climbing when they look back, and then turn to go down.

This year, on the basis of summing up the experience gained in past reform, the CPC Central Committee has put forth the principle of consolidation, digestion, replenishment, and improvement, and requires us to develop the reform achievements that we have already scored while making preparations for taking greater steps in reform in next 2 years. Obviously, this is a positive principle that encourages us to open up our path and forge ahead. However, some comrades want to see this principle from its negative side. They wrongly regard consolidation as stopping progress and improving as retrogression, and they have a strong desire to abolish some of the reform measures that we have already adopted. We cannot help but feel worried about this.

For example, 392 enterprises in our city have implemented the factory director responsibility system on a trial basis and have achieved good results, but this year some comrades want to reform to the old system. The CPC Central Committee's decision on reform very clearly points out that in modern enterprises, as division of labor is intensive, as there is great continuity in our production, as the technological requirements are strict, and as the relations of cooperation are complicated, we must establish a unified, powerful, and highly efficient system of production command and [words indistinct]. Only by establishing the factory director (manager) responsibility system can we meet these requirements. The party organizations in our enterprises should conscientiously support the factory directors in exercising their power of office.

Supporting factory directors in exercising their power of office means supporting the reform and the economic development. Of course, it is still necessary to perfect the factory director responsibility system as a new leadership system. At the same time, we should strengthen our ideological and political work, perfect various systems of democratic management, and thus enable the party committee, factory director, and staff members and workers congress in an enterprise to make concerted efforts toward the same goal. However, we must persist in implementing the factory director (manager) responsibility system. This is very clear. How can we turn the clock back?

Another example, in accordance with the principle of "returning power to factories, returning the power of administration to bureaus, and turning organizations back into enterprises," and in accordance with the principle of voluntary participation and mutual benefit, our city has organized and established a number of companies having the nature of an enterprise. This is an effort toward correct orientation and has yielded good results. Recently there has been some trouble in this area: On the excuse of perfection and in violation of the principle of voluntary participation and mutual benefit, some departments have issued administrative orders to require some companies to merge with some enterprises, or they want to turn companies having the nature of an enterprise back into administrative companies. This is not a desirable practice. In 1982 we followed the path of organizing and establishing administrative companies by compulsory means, but after 2-3 years of efforts, it proved to be a failure. Therefore, we had to switch to the method of reorganizing our companies and changing their patterns on a voluntary basis. We worked hard for over a year to overcome lots of difficulties to straighten out the relations between our companies and factories. How can we turn the clock back?

In the course of reform practice in the past few years, similar phenomena have repeatedly emerged. When we encounter difficulties in the course of our reform or when we readjust certain measures of reform in light of the changes in reality, the desire to turn the clock back emerges in the minds of some comrades. Like the old women named Jiujin that Mr Lu Xun described in his short story, these comrades always sit in the corner of the room and grumble: Each generation falls short of the preceding one. They often yearn for the past and cannot bear to part with this or that aspect of the old economic management system, including the uniform structure of public ownership, the distribution system whereby the state collects all the income and pays all the costs and in which people and units "eat out of the same big pot," the circulation system with only one channel and many links, the mechanism of macroeconomic management with direct control as the core, the management method that does not separate the functions of government from those of enterprises, and closed or semiclosed external economic relations. They frown at the socialist economic system we are creating and establishing, often find fault with it, and fail to sufficiently see the tremendous role of the reform in promoting the development of our productive forces.

Our city is an example: In the 3 years since January 1983 when the CPC Central Committee and the State Council gave their approval for carrying out a comprehensive economic structural reform, Chongqing city has already entered a period in which its economic construction has great vitality, and is most prosperous ever since the founding of PRC. Compared with 1982, the city's GNP, national income, and gross industrial and agricultural output value for 1985 increased by 47, 46, and 48 percent, respectively. The annual growth rates for these three indices all exceeded 13 percent and were greater than both the average growth rates it achieved before the reform and the national average. The reform has also brought about great changes in people's lifestyles and mental attitude that should not be underestimated.

"I looked for her thousands of times. Turning around, I suddenly see the girl I looked for where the light of lanterns was waning." When we review what we have gone through since the 3d Plenary Session of the 11th CPC Central Committee and see that a Chinese-type socialist economic management system is emerging brand new, how happy and proud we should be! Of course, while being happy, we should also fully know that this is an extensive, profound, arduous, and complicated reform. Therefore, it is impossible for us to carry it out entirely smoothly without encountering setbacks or difficulty. Setbacks and difficulty are not fearful. What is fearful is the defeat in the fight in the ideological field. As long as we correctly sum up our experience and thus "learn something new after reviewing the past," our confidence will be strengthened and we will write a new chapter for the reform with the spirit of the foolish old man who removed the mountain and with great willpower.

RENMIN RIBAO ON TRANSFER OF REFORM-BENT MANAGER

HK301307 Beijing RENMIN RIBAO in Chinese 23 Apr 86 pp 1, 2

[Newsletter by Kang Jimin, Li Jihan, Chen Zilin, and Lu Xiaoping: "The Bitter Experience of a Plant Director Who Is Determined To Make Reforms -- Story of Song Beifang, Director of the Motor Vehicle Plant of the Zhengzhou City No 2 Communications and Transportation Corporation"]

[Excerpts] On the morning of 19 December 1985, Song Beifang was dismissed from office, despite the repeated arguments of the responsible comrade of the Zhengzhou City CPC Committee.

Cherishing a High Aspiration for Reform

Song Beifang, 54, was a student of the mathematics department of Lanzhou University and was appointed director of the motor vehicle plant of the Zhengzhou No 2 Communications and Transportation Corporation in October 1984. This is a collectively-owned small plant with less than 300 workers. In the past, in the narrow factory area, the workshops were in a jumble, the equipment was old and outdated, and labor discipline was lax. Under the guidance of the "decision" of the CPC Central Committee on reform of the economic structure, Song Beifang, who was not scared by all these difficulties, began to carry out a series of bold and resolute enterprise consolidation.

First, he established the production responsibility system in his plant, linking wage, bonus, and material benefits with the profits of the enterprise and the contributions made by individuals. Under this system, those who work hard and make good products are encouraged and rewarded and those who are lazy and make inferior products are criticized and punished.

In order to solve the problem of a lack of technical forces, he went to many places and finally invited seven experienced technicians and engineers to the plant to act as advisers. Meanwhile, more than 200 workers were sent to other plants for further training. In light of the needs of production, he boldly reorganized middle-level cadres and labor organizations. He worked day and night like an untiring motor, arousing the labor enthusiasm of the workers by his exemplary action.

A miracle finally appeared. In the 1st quarter of last year, this collectively-owned small plant, with comparatively backward production conditions and technology, created a profit totaling 172,800 yuan and turned over to the state 69,000 yuan profit tax, 19,000 yuan more than the total tax paid in the year 1984. Personal income of the staff and workers simultaneously increased.

As the first step was successfully taken, Song Beifang began to scale a higher target. He was determined to firmly grasp the development of new products and joint ventures with other units so that the annual output value of this plant could exceed 10 million yuan and its profit reach 800,000 yuan. He planned to improve housing conditions on the staff and workers within 3 years and make this collectively-owned small plant one of the most advanced enterprises in Zhengzhou in the near future.

A Passage of Writing Invites Unexpected Calamity

Changes in the motor vehicle plant aroused great attention of the Zhengzhou city CPC Committee, but also jealousy of the chief leaders of the corporation, who found the "bone" to be thrown away had become a piece of "fat meat." Since then, a series of administrative orders were issued one after another to weaken the decisionmaking power of the plant and cut its profits. What surprised people is that all these administrative orders were issued after the "decision" of the CPC Central Committee on reform of the economic structure was promulgated.

Song Beifang held that they were directly counter to the guideline of "simplifying administration, extending decisionmaking power, and invigorating enterprises" put forth by the "decision," and were expressions of the practice of "everybody eating from the same big pot" in a disguised form. Thus, he told a comrade in his office to write the following passage in a performance report submitted to the city's economic committee, communications bureau, and the No 2 Communications and Transportation Corporation last April: "If the corporation shall maintain unanimity with the CPC Central Committee in action, smash the "big pot," and do things in accordance with the economic law, extend the decisionmaking power of the enterprise, and carry out the system of plant director assuming full responsibility in the enterprise, it can be expected that the annual sales volume will reach 10 million and the profit will be over 1 million."

Song Beifang never expected this passage of writing to invite bitter calamity. The secretary of the corporation's CPC committee went to see the director of the city communications bureau and said truculently: "This is a false charge against the corporation's CPC committee!" "Just for this reason I can dismiss him from his post! If he will not go, I will!" All directors of the communications bureau understood that the secretary was not a man to be trifled with, but it was not appropriate to dismiss Song Beifang from his post merely because of this. They could do nothing but gently persuade the visitor.

Later, rumors spread like wildfire in the No 2 Communications and Transportation Corporation as well as in the motor vehicle plant that "Song Beifang is involved in serious economic cases," and "Song Beifang has committed bribery." An investigation group was sent to the motor plant by the corporation CPC Committee. They checked the accounts time and again and held many meetings. The workers were all very clear what the investigation was aimed at. At this moment, how Song Beifang wished that the leaders of the communications bureau would uphold justice and pass fair judgment! Unfortunately, the chief leaders of this bureau just took an attitude of mediating between both sides and a laissez-faire attitude.

Struggle Forward While Being "Tied Up"

To strive for more decisionmaking power for the plant, Song Beifang submitted an "unhooking" plan to the city communications bureau and the corporation last July in accordance with the strong demands of the staff and workers, demanding that the plant be separated from the No. 2 Communications and Transportation Corporation. He fully explained the necessity of "unhooking" from the corporation in light of the history, the type of organization, and the operation orientation of the plant and in accordance with the requirements of reform of the economic structure. The responsible persons of the corporation got very angry about this "unhooking" plan. They threatened that if the plant was separated from the corporation, it "should repay the money to the corporation, because the plant was built by the workers with their accumulated funds."

To this unreasonable demand, Song Beifang still agreed to repay 2.75 million yuan to the corporation in 10 years. Unexpectedly, the corporation went back on its word and demanded that a total of 3 million yuan be repaid within 1 year and, in addition, fees for using the land should also be paid by the plant.

After he failed in this attempt to separate the plant from the corporation, Song Beifang found it difficult to direct production in the plant, and some people in the plant's leading body began to openly reject his direction.

Being unable to work on or to separate the plant from the corporation Song Beifang really wished that he could resign his position as plant director. However, this was a matter of food and clothing for the 300 workers. He could not bear to see that the small plant, which had just been revitalized, be destroyed. So, with tears in his eyes, he went hither and thither to seek support while making great efforts to remove obstacles both inside and outside, to expand production, and to struggle forward in great difficulties. By the end of October, the total sales revenue of the plant still reached more than 5.79 million yuan, which was 140 percent of the annual plant or 250.7 percent of the revenue in the same period of the previous year; the output value and profits obtained were respectively 2.67 million and 752,000 yuan, 143.1 and 251 percent of the annual plan or 141 and 899.4 percent of the figures of the corresponding period of the previous year; and the tax turned over to the state was 300,000 yuan, an increase of 600 percent over the previous year's figure.

"It is dangerous to stir up a hornets' nest." This advice to Song Beifang came true. On the morning of 18 December last year, the responsible person of the corporation, bringing with him a contract drafted by the corporation and written instructions of the city's communications bureau, gave Song Beifang the ultimatum: "Now you may choose between the two: To do, or not to do?" Song Beifang soon understood: "This is another method to drive me away! How could a contract be written like that? Who on earth is the contractor?" However, for the sake of the plant's future, he made a concession and said: "We can certainly sign the contract, but the following principles should be observed: 1) to act in accordance with regulations regarding plant directors; 2) to act in accordance with the enterprise law; and 3) after the targets are set, the corporation should not wantonly employ administrative intervention in this respect." Unfortunately, these just demands were all rejected.

On the morning of the following day, a decision on "relieving Song Beifang of his post as plant director for transfer to another unit" was announced. Indignantly, Song Beifang asked: "Why should I be dismissed from office?" The answer was just as high-sounding as the decision: "This is a normal transfer!" He was replaced by a deputy manager of the corporation. After the new plant director took office, the original frozen bonus, which was more than 30,000 yuan, was soon unfrozen, and a new production plan was worked out:

"In 1986, the output value will be 1.52 million yuan and the profit will be 125,000 yuan." These figures were much lower than those proposed by Song Beifang, which were respectively 2.676 million yuan and 750,000 yuan for the period from January to October. Nevertheless, the leadership power was seized by the corporation.

Many people cannot understand why a plant director who is determined to make reforms has been dismissed from his post. What does all this imply?!

Reasons Questioned

HK301335 Beijing RENMIN RIBAO in Chinese 23 Apr 86 p 1

[Commentator's article: "Why Was Song Beifang Dismissed?"]

[Text] Song Beifang, who was determined to make reforms, has been relieved of his post. This shows that some administrative corporations and departments in charge of economic work are still consciously or unconsciously using old ways and methods to carry out rigid management over enterprises. In the course of replacing the old system with the new, problems of this kind should be brought to our serious attention.

Whether the enterprises have decisionmaking power is one of the basic conditions for invigorating the enterprises. The regulations issued by the State Council on extending the decisionmaking power of the enterprises clearly point out that this power should be protected. Enterprises owned by the collective should be managed in accordance with the principle of "independence and self-determination, assuming sole responsibility for their profits and losses, and democratic management." Higher-level corporations and departments in charge should never exercise excessive intervention in the operational activities of the grassroots enterprises by means of administrative orders. However, instead of conscientiously implementing these regulations of the State Council, some areas and departments are still ordering people about and exercising brutal intervention in the operational activities of the enterprises.

Under the old system, as a result of separation between departments and regions, enterprises owned by the whole people and those owned by the collective became enterprises owned by the departments or regions. This became a deeply rooted idea in our minds. Some comrades are used to regarding enterprises as subsidiary bodies of their departments or even of their own, often saying: "Since it is my enterprise, it should obey my orders!" Those who air different views in accordance with the regulations of the State Council are suppressed, attacked, or even dismissed from their posts. Has the bitter experience of Comrade Song Beifang not happened due to this wrong guiding ideology? The Zhengzhou city CPC Committee decided to redress the case. This is entirely correct.

We are now in a period of replacing the old system with the new. Both old and new methods are being adopted. But there are often contradictions between old and new policies. While considering whether a plan for reform is correct, we must consider whether it conforms to the objective demand of developing the socialist commodity economy and whether it is conducive to the development of the productive forces. Practice shows that all those which are conducive to the development of the productive forces and the commodity economy should be enthusiastically supported, helped, and constantly perfected. As to reformers who have shortcomings or mistakes in their work, it is necessary to help them sum up experiences and lessons so that they may deepend their understanding and continue to make progress. It is not a correct attitude to find fault with a cadre who has made great achievements in reform and enjoys high prestige among the workers while praising another who has stuck to old ways and done mediocre work or has even brought his enterprise to the verge of bankruptcy.

Before the old system characterized by separation between departments and regions is actually changed, the leading departments at all levels should fully protect the decisionmaking power of enterprises in accordance with the decision of the 3d Plenary Session of the 12th CPC Central Committee and relevant regulations of the State Council on extending the decisionmaking power of enterprises. Only thus can we invigorate the enterprises. At present, some corporations have firmly grasped in their hands power over major issues concerning human, financial, and material resources as well as supply, production, and marketing of the enterprises, but do not assume any economic responsibility. This is obviously harmful to the normal operation of the enterprises and to mobilizing the initiative of the staff and workers. It seems that overcoming the "intermediate obstruction" in our economic work is an important matter that cannot be overlooked. A pressing problem to solve in the current structural reform is how to improve the work of certain corporations or departments in charge of economic work so that they may better serve production and operations of the enterprises and serve their reform.

Investigation Conducted

HK301315 Beijing RENMIN RIBAO in Chinese 23 Apr 86 p 1

[Article by reporters Li Wen and Fang Xiaoxiang: "Notes on an Investigation"]

[Text] The article "The Bitter Experience of a Plant Director Who is Determined To Make Reform," is finally published by this paper today after many setbacks. The writers have long been among the masses to gather materials and have changed their manuscript eight times.

We recently had an interview with the leading comrades of the Zhengzhou City CPC Committee and the No 2 Communications and Transportation Corporation, as well as some cadres and workers of the motor vehicle plant. Although certain comrades held views different than those of the report, they all admitted that facts exist as reported.

The Zhengzhou City CPC committee has sent people to investigate the matter of Song Beifang's dismissal. After the facts were learned, the responsible comrade of the city CPC committee definitely declared the Song Beifang is a good comrade. He did much work during his tenure of office, and great achievements were made in the reform carried out in the motor vehicle plant. It was wrong for the No 2 Communications and Transportation Corporation and the Zhengzhou city communications bureau to relieve Song Beifang of his post. Both the bureau and the corporation should unify their understanding on the basis of distinguishing right from wrong and take appropriate measures to resolve the problems concerning Comrade Song Beifang and the reform carried out in the motor vehicle plant. They should also draw a lesson from this.

SHANGHAI PROMOTES LATERAL ECONOMIC COMBINATIONS

HK270318 Beijing ZHONGGUO XINWEN SHE in Chinese 1140 GMT 24 Apr 86

[Commentary by reporter Chen Dawei: "Shanghai Activity Promotes Horizontal Economic Combinations"]

[Text] Shanghai, 24 Apr (ZHONGGUO XINWEN SHE) -- Shanghai, the biggest industrial and commercial city in China, recently decided to make the development and promotion of horizontal economic combinations with other provinces in the interior the focal points of the city's future economic structural reform. This new move by Shanghai in its economic life has attracted the attention of people in economic and press circles.

There have been many indications over the last few months that Shanghai has increased its interest in developing horizontal economic combinations with provinces and enterprises in the interior. During the first 10 days of March, the Shanghai Municipal CPC Committee and municipal government invited leaders from Shanghai offices of all the ministries of the central authorities and provinces, municipalities, and autonomous regions to a large symposium to listen to their views and make friendly contracts. Almost all the responsible officials in Shanghai, including the secretary of the Shanghai Municipal CPC Committee Rui Xingwen and others, were present. Reportedly, this is the first time that Shanghai has held such a meeting.

As one of the largest industrial bases in China, Shanghai is, in fact, mainly a processing industry center. Just as Rui Xingwen said: Shanghai has neither mines nor oil fields, and its supply of raw materials, fuel, agricultural and sideline products depends on other parts of the country. In the past, as most of Shanghai's industrial production tasks were assigned by the state and the raw materials and energy resources were uniformly allotted by the state, Shanghai was not very enthusiastic about developing horizontal economic combinations with other provinces in the interior. With the deepening of the country's economic structural reform, rapid changes have taken place in this traditional system. This year, the amount of raw materials Shanghai can get under the state plan for unified distribution will drop from 70 percent in previous years to 18 percent. Because of such a change, Shanghai, which "never sought help from others for anything" has to find a way out by developing horizontal economic combinations.

In the first quarter of this year, the total industrial output value in Shanghai only increased by 1.8 percent over the corresponding period of last year, of which the increase rate in January was only 0.5 percent. Such a small increase has been rare in the past. Departments concerned pointed out that the main cause for this state of affairs is the lack of funds, raw materials, and energy resources. In the future, with the big reduction in the raw materials and energy resources supplied by the state according to mandatory planning, Shanghai's concerned industries and enterprises will be confronted with a more severe situation. People concerned believe that this is an important factor urging Shanghai to make up its mind to struggle for existence by developing horizontal economic combinations.

However, it is not objective enough to understand Shanghai's present enthusiasm for developing horizontal economic combinations only in this passive sense. Judging by the situation as a whole, developing "cooperation with other parts of the country" will be of special strategic significance to future economic development in Shanghai. According to Shanghai economic development strategy, it should become an open, multi-functional, and scientifically and technologically advanced modern city with a productive industrial structure and a high degree of civilization which can play "the roles of a pioneer, bridge, and base" in national economic construction.

Only by developing horizontal economic combinations with other provinces in the interior can Shanghai bring into play these three roles. Meanwhile, through the development of horizontal economic combinations, Shanghai's production, product, technology, and enterprise organizational structures will also be readjusted and become more realistically oriented. Especially if the advantage of Shanghai's processing industry and interior's resources are combined to jointly produce export products to earn foreign exchange, Shanghai and the interior will benefit significantly. Judging from the comments recently made by municipal leaders, Shanghai already has some understanding of these benefits.

Based on the above understanding, three new trends have recently arisen in horizontal economic combinations between Shanghai and other provinces in the interior: First, the economic combinations which were mainly organized by government departments by administrative means from top to bottom have developed to the extent that enterprises themselves organize the combinations by economic means and in light of the principles of economic rationality, mutual benefit, and selecting the best. Second, horizontal economic combinations which were purely production cooperations or individual projects have developed into overlapping combinations involving industry, agriculture, commerce, science and technology, education, and other fields and allowed exchanges and mergers in capital, technology, qualified people, equipment, and so on, and Third, horizontal economic combinations which were purely aimed at promoting cooperation among specialized products and strengthening the capability of producing major products have developed into high-level combinations like software development in management, technology, and so on.

At present, a number of economic and technological combines between Shanghai and other provinces in the interior have been set up. These combines are joined by not only factories and enterprises, but also agricultural, commercial, foreign trade, scientific research organizations, and so on. It has been learned that Shanghai Municipality will soon promulgate, implement, and enforce the State Council's "regulations regarding further Promotion of Horizontal Economic Combinations and Other Issues." It is believed that the promulgation will play an active role in promoting horizontal economic combinations between Shanghai and other provinces in the interior.

GUANGZHOU HOLDS RALLY TO CELEBRATE MAY DAY

HK010656 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 30 Apr 86

[Excerpts] About 1,500 people from all walks of life in the Guangzhou area happily gathered this morning to mark the 100th anniversary of May Day. At 0825 provincial and Guangzhou city party, government, and army leaders appeared on the rostrum at the meeting. Among them were Liu Tianfu, member of the Central Advisory Commission now Guangzhou; Lin Ruo and Ye Xuanping, responsible comrades of the provincial CPC Committee; Liang Lingguang, responsible comrade of the provincial Advisory Committee; Luo Tian, responsible comrade of the provincial People's Congress Standing Committee; Kuang Ji, responsible comrade of the provincial People's Government; Qi Feng, responsible comrade of the provincial CPPCC; Zhang Zhongxian and (Liu Zhenzhi), responsible comrades of the Guangzhou Military Region and the provincial military district; and Xu Shijie, responsible comrade of Guangzhou City.

At 0830, Luo Shengan, chairman of the provincial Trade Union Federation, announced the opening of the meeting. Comrade Wang Ning, deputy secretary of the provincial CPC Committee, delivered a speech at the meeting.

GUANGXI GOVERNOR OUTLINES SEVENTH 5-YEAR PLAN GOALS

HK280257 Nanning Guangxi Regional Service in Mandarin 1100 GMT 27 Apr 86

[Excerpts] In part 2 of his report at the Fourth Session of the Sixth Regional People's Congress, regional government Chairman Wei Chunshu dealt with the economic and social development goals and the main tasks for the Seventh 5-Year Plan.

He said: In accordance with the spirit of Premier Zhao Ziyang's report to the Fourth Session of the Sixth NPC and in connection with Guangxi reality, we must, in our economic and social development during the Seventh 5-Year Plan, continue to implement the instructions of the CPC Central Committee Secretariat on work in Guangxi. In line with Comrade Hu Yaobang's speech delivered during his inspection of the region, we must carry out reforms in depth, persevere in invigorating the domestic and international economy, relax policies, harmonize relationships, make rational arrangements, take advantage of our strong points, achieve all-round improvement in economic results, and attain a growth rate slightly higher than we achieved during the Sixth 5-Year Plan and slightly higher than the Seventh 5-Year Plan growth rate for the whole country. We must gradually narrow the gap between us and the rest of the country.

The region's total industrial and agricultural output value during the Seventh 5-Year Plan should rise to 31.5 billion yuan, rising at an annual average of 8 percent. We should strive to achieve doubling this 1 year ahead of schedule. Agricultural output value should reach 10.9 billion yuan, rising at an annual average of 5.5 percent. This includes output value of 12.4 billion yuan [as heard] in industry at and below village level, rising at an annual average of 6.5 percent.

Industrial output value should reach 20.6 billion yuan, rising at an annual average of 9.9 percent. This does not include industry at and below village level, whose output value should reach 19.1 billion yuan [as heard], rising at an annual average of 9 percent.

Local financial revenue should reach 3 billion yuan, rising at an annual average of 8 percent.

These goals have a built-in margin, and we should strive to overfulfill them in arranging our annual plans and in our actual work.

He also said: Regarding the question of growth rates, we should not blindly pursue high growth nor should we one-sidedly lay stress on keeping the rate down. We must act according to our capacity. In light of Guangxi's present realities, we should do everything possible to improve the growth rate while laying emphasis on economic results. It is both necessary and possible that our growth rate increase slightly during the Seventh 5-Year Plan.

Wei Chunshu continued: This is the first year of the Seventh 5-Year Plan. We should maintain and develop the good momentum that appeared last year and strive for relatively great development of our national economy, so as to make an excellent start in fulfilling the Seventh 5-Year Plan. Total industrial and agricultural output value this year should rise by 9 percent over last year, and we should strive for a 10 percent increase. Agricultural output value should rise by 7.4 percent, and we should strive for 8 percent. Industrial output value should rise by 10 percent, and we should strive for 12 percent. Local financial revenue, under comparable headings, should rise by about 10 percent. We should strive to overfulfill this figure.

In addition, he said: In developing agriculture, we must continue to implement the principle of actively promoting diversification without any slackening of grain production. We must strive to attain basic self-sufficiency in grain, importing only a little from other places. Total grain output in 1990 should reach 28.6 billion jin, and we should strive for 30 billion jin. Output this year should top last year's by 2.5 billion jin, and we should strive for a 3 billion jin rise. While developing grain production, we should further develop various industrial crops and forestry. We should in particular raise the production of pigs, poultry, fish, eggs, milk, and vegetables, to improve the supply of nonstaple foods. We should pay attention to the following points in agricultural production during the Seventh 5-Year Plan:

1. Continue to perfect the rural economic responsibility systems. We should properly solve problems in unified operations, management, and service, and develop and perfect the cooperative economic organizations, starting by improving services. We should improve agricultural labor productivity and stimulate agricultural specialization and modernization and the development of the commodity economy. We should also further develop the grain purchase contract system.
2. Correctly handle the relationship between grain and industrial crops. We must unswervingly persevere in readjusting the rural production structure. This must be done in light of needs and possibilities and should proceed in a planned, measured, active, and steady way under the premise of ensuring steady growth in grain output.
3. Strive to improve agricultural production conditions. At present, the region's water conservancy situation is deteriorating, soil fertility and seed are degenerating, and farm machinery is ageing. This situation is rather serious. This is a potential danger in our agricultural development. During this Seventh 5-Year Plan, we must rely on science, increase input, and improve management, in order to seriously solve this problem well.
4. Further improve the standard of scientific grain cultivation. We should develop new seed strains and techniques suited to our region, and strengthen and improve frontline research and technological popularization.

Wei Chunshu also said: During the Seventh 5-Year Plan, the region's industry must formulate sectoral plans and further rationalize its production and product structures. We must accelerate the development of strong-point trade and products; expand the production capacity of energy, communications, telecommunications, and raw materials enterprises; increase output of consumer goods and export goods; and develop tertiary industry serving production and people's daily lives.

Under the premise of continually improving economic results and product quality, we should strive for a relatively high, sustained, and steady growth rate.

During the Seventh 5-Year Plan, we should universally introduce the factory manager responsibility system in a measured way by groups and batches. We should gradually perfect the economic responsibility systems and ideological and political work. We should simultaneously grasp technology and management and continually improve the capacity for self-transformation and development. In strengthening enterprise management, we should do a good job in planning and promote all-round quality control.

It is essential to do a good job in economizing energy and reducing input, and to save fuel and raw materials.

Wei Chunshu concluded: During the Seventh 5-Year Plan, a total of 12.31 billion yuan has been arranged in investment in fixed assets for enterprises under ownership by the whole people, and increase of 57 percent over the Sixth 5-Year Plan figure. In capital construction, the investment allocated by the state is mainly to be used in energy, communications, and raw materials construction. Most of the investment allocated by the region is to be used in developing energy, communications, raw materials, light and textile industries, agriculture, education, science, culture, and sports. The majority of the capital raised by the prefectures, cities, and counties should be used in production facilities and in education, science, culture, and public health. We must appropriately control housing construction. Except for tourist facilities, construction of large buildings and halls must be resolutely cut.

YANG XIZONG ATTENDS HENAN CPPCC MEETING 28 APRIL

HK290841 Zhengzhou Henan Provincial Service in Mandarin 1230 GMT 28 Apr 86

[Excerpts] The Fourth session of the Fifth Henan Provincial CPPCC Committee opened in Zhengzhou. Today the Henan People's Hall in the provincial capital was well decorated inside and out as 578 zestful CPPCC Committee members from all quarters of the province gathered happily under the same roof. At 0840, Provincial CPPCC Committee Chairman Song Yuxi announced the opening of the meeting.

The Provincial CPPCC Committee vice chairmen who attended today's opening ceremony and took their seats on the rostrum were Yan Jimin, Cui Guanghua, Dong Minsheng, Ye Renshou, Hao Fuhong, Ren Leiyuan, Zuo Mingsheng, Ren Fangqui, Duan Zongsan, Ding Zhenyu, and Tu Jiaji. Others attending today's meeting and taking their seats on the rostrum were leading comrades of the Provincial CPC Committee, Provincial People's Congress, Provincial Government, and Henan Military District, including Yang Xizong, Liu Zhengwie, He Zhukang, Zhao Di, Zhang Shude, Zhan Jingwu, Zhang Zhigang, Lin Xiao, Wu Shaokui, Guo Peijun, Fan Lian, and Wang Huayun, former chairman of the Provincial CPPCC Committee.

At the opening ceremony, the agenda and schedule for the meeting were first adopted. After that, Provincial CPPCC Committee Vice Chairman Ye Renshou delivered the work report of the fifth provincial CPPCC Committee Standing Committee.

HUNAN OFFICIAL STRESSES NEWS COVERAGE OF REFORMS

HK301159 Changsha Hunan Provincial Service in Mandarin 2300 GMT 29 Apr 86

[Excerpts] The Fourth Session of the Sixth NPC has decided that during the Seventh 5-Year Plan period, we must give priority to reforms. Similarly, journalistic workers must also give priority to reforms.

They must study, write stories about, support, and promote reforms. This is the requirement proposed by Liu Zheng, deputy secretary of the provincial CPC Committee, in his speech at the provincial meeting of radio and television reporters held on 29 April.

Comrade Liu Zheng said: To switch from a product economy to a planned commodity economy is a fundamental change that concerns the core of reforms. The most important issue in this historic change is to seek common understanding among the people about reforms.

However, why do some people still comment extensively about reforms? In the final analysis, this is because they do not have thorough understanding of the necessity, inevitability, long-term significance, complications; and arduousness of reforms. In order to carry out reforms, we must first change our concepts and thinking.

He continued: Reforms are a comprehensive, profound, and long-term change. There should be progress in adapting oneself to the situation. We must seriously do well in the propaganda work of reforms and shorten the progress of understanding their importance.

On the work of journalistic workers in reporting stories of reforms, Comrade Liu Zheng pointed out: Reforms should be arranged by the central authorities while the masses should probe innovative ways to carry them out. We must be good at and sum up the relatively successful experience. We must be bold in reporting stories about reforms. Press, radio, and television news reports are not instructions of the party, but they are commonly taken by the masses as party instructions. Thus, we must handle with care and in a solid way, matters on which we are not very certain, including commendation and criticism. We should focus on the positive side when reporting stories about reforms. This does not mean that we need no criticism or reporting of problems, but we must confirm the accuracy of criticism and reports when reporting them.

HUNAN RADIO URGES VIGILANCE AGAINST FLATTERERS

HK281013 Changsha Hunan Provincial Service in Mandarin 1100 GMT 27 Apr 86

["Sunday Chat" by (Xia Tianyan): "Be Vigilant Against Flatterers"]

[Excerpts] No leader will say: I like boasting and flattery. However, many have gone so far as to fall into the trap of flatterers. The number of flatterers has now gradually become small, but in our practical life, flatters have not become extinct. For example, a new leader has been transferred to a certain unit or a leader has been newly promoted in the unit, and no sooner had he assumed office than some people wrote articles:

Under the correct leadership of so and so, our outlook has taken an altogether new aspect. Some quietly promoted or transferred the relatives of the leader who had just assumed office. [sentence indistinct] When the leader made a certain mistake and was criticized or a disciplinary action was taken against him, some others complained of unfairness on his behalf and quickly comforted him so that the leader continued to make mistakes. Therefore, persons with breadth of vision have proposed that when a new cadre assumes office, he must pass five tests. The test of boasting and flattery is the first of the five tests. This shows keen insight.

How can we resist flattery? One of the important ways is that we must think and act in one and the same way. Second, we must keep a clear head. If a leading cadre treat flatterers as ghosts, I think that not only can party style be straightened out very well but also the number of flatterers will be greatly reduced.

HEILONGJIANG CARRIES OUT TRANSFER OF ARMED FORCES

SK250746 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 23 Apr 86

[Text] The 94 country-level People's Armed Forces departments throughout the province will be transferred to the localities by the end of June. The county-level People's Armed Forces departments in our province were transferred to the military organizational system in 1951. Over the past 30 years or so, these departments have made contributions to army building, militia construction, local economic development, and the prosperity and consolidation of border areas.

The nature of the county-level People's Armed Forces departments and their tasks will remain unchanged even after their transfer to the local organizational system. These departments will work under the jurisdiction of the localities and will be subject to the dual leadership of both local and military authorities. Playing a role as the local leading military command organs, these departments will undertake the tasks of conscripting servicemen, conducting militia organizational construction, equipping and managing weapons, conducting military training and political education for militia-men and reserve servicemen, and leading militiamen to join the army or enter a war.

After these departments are transferred to the local organizational system, their rights to the use and manage equipment and materials will remain unchanged so that they can make full use of their training bases and facilities.

The People's Armed Forces departments of Suihua City and Harbin City's Nangang District carried out the transfer work on a trial basis in March. So far, the transfer work is basically ready to be conducted.

JILIN'S GAO DI ATTENDS MAY DAY CELEBRATION

SK300804 Changchun Jilin Provincial Service in Mandarin 1030 GMT 29 Apr 86

[Report on meeting to mark the 100th anniversary of May Day held in the assembly hall of the Changchun City Workers' Cultural Palace on 29 April -- recorded]

[Excerpt] [Announcer] A meeting to mark the 100th anniversary of May Day sponsored by the Jilin Provincial and Changchun City Trade Union Councils was held in the assembly hall of the Changchun City Workers' Cultural Palace today. Attending the meeting were more than 1,000 workers representatives, model workers, and trade union activists from the railway, bus, postal, telecommunications, textile, commercial, educational, and public health fields.

(Dong Guoliang), chairman of the Jilin Provincial Trade Union Council, presided over the meeting.

[(Dong Guoliang)] The meeting to mark the 100th anniversary of May Day is now open. Attending today's meeting are provincial and city leaders, including Gao Di, secretary of the provincial CPC Committee; Wang Xianjin, Gao Dezhan, and Wang Zhongyu, deputy secretaries of the provincial CPC Committee; Zhang Shiyong, vice chairman of the provincial Advisory Commission; (Li Shuren) and (Wu Heng), Standing Committee members of the provincial Advisory Committee; Zhao Xiu, chairman of the provincial People's Congress Standing Committee; Huo Mingguang, Liu Cikai, Zhu Jinghang, and Xu Yuancun, vice chairmen of the provincial People's Congress Standing Committee; Gao Wen, vice governor of the provincial government; Liu Jingzhi, chairman of the provincial CPPCC Committee; Zhang Fengqi, Luo Yuejia, and Xin Cheng, vice chairmen of the provincial CPPCC Committee, Li Deming, secretary of the provincial Discipline Inspection Commission; (Du Qinglin), Standing Committee member of the provincial CPC Committee and director of

the organizational department of the provincial CPC Committee; (Zhu Zhang), deputy political commissar of the provincial military district; (Wu Yuxia), secretary of the Changchun City CPC Committee; and (Wang Li), chairman of the city People's Congress Standing Committee. Also attending today's meeting were Yu Lin and Song Jiehan, former deputy secretaries of the provincial CPC Committee, and retired trade union workers. First of all, we will ask Comrade Wang Xiangjin, deputy secretary of the provincial CPC Committee, to give a speech.

[Wang Xianjin] On the occasion of ceremoniously celebrating the glorious day of the working class and the 100th anniversary of May Day, on behalf of the provincial CPC Committee and the Changchun City CPC Committee, I extend festive greetings to the broad masses of staff members and workers on all fronts, throughout the province, and send cordial greetings to the labor medal winners and the vast number of trade union workers.

Our working class is a great working class with a glorious revolutionary tradition and outstanding achievements. All achievements and results that have been made were cemented with the sweat of the working class and embody the wisdom of the working class. At present, our country has formulated a new economic development plan. The task ahead of us is to build our country into a modern, culturally advanced, and highly democratic socialist country. The Seventh 5-Year Plan and Premier Zhao Ziyang's report on the Seventh 5-Year Plan examined and approved at the Fourth Session of the Sixth NPC represented to the people the grand blueprint for the economic and social development in the next 5 years, and reveal heartening and brilliant prospects. Realizing the Seventh 5-Year Plan is of great significance for better maintaining the current good economic situation and for successfully realizing the fighting goals by the end of this century. Thus, the broad masses of staff members and workers throughout the province should conscientiously study and implement the documents of the Fourth Session of the Sixth NPC, carry forward the spirit of the "old foolish man who removed the mountains," bring their functions into play, and make contributions to the realization of the Seventh 5-Year Plan.

JILIN COMMENTARY VIEWS STRENGTHENING POLITICAL WORK

SK280653 Changchun Jilin Provincial Service in Mandarin 1030 GMT 27 Apr 86

[Station commentary: "Analysing Economic Results and Strengthen Ideological and Political Work"]

[Text] After the third industrial production work conference of the provincial government, industrial enterprises throughout the province have launched activities of analyzing economic results. In analyzing economic results, enterprises should not only analyze and solve the actual problems in production to transform unfavorable factors and to make the most of favorable factors, but also should pay full attention to analyzing the ideological understanding of the people and sturdy ways to strengthen ideological and political work so as to spark the enthusiasm and creativeness of the broad masses of cadres, staff members, and workers. This is a key guarantee for the smooth development of industrial production.

The situation of the enterprises' ideological and political work is generally good at present. But quite a large number of enterprises still have actual problems in production and lag behind in terms of their ideological and political work. Some ideological problems requiring solution exist among their cadres and workers. Tendencies of being lax in labor discipline and management generally exist. Some enterprises often concentrate their analysis of economic results on actual problems in production and management to the neglect of the ideological factors among the staff and workers; thus, they have not done nearly enough to discover the causes affecting economic results in conducting ideological and political work.

With much work to do, the enterprises should take essential and effective measures for establishing and perfecting rules and regulations. Simultaneously, they should rely on the staff and workers to implement rules and regulations no matter how good these rules and regulations are. So, in analyzing economic results, we should not only analyze the work concerning strengthening enterprise management and setting up regulations and systems, but also analyze the present conditions of the staff and workers and the problems concerning ideological and political work.

Only when the enterprises fully spark the enthusiasm of the staff and workers for developing socialism by strengthening ideological and political work among them, safeguarding their status as masters of the enterprises, and enhancing their sense of responsibility, can the rules and regulations that have been established and perfected be implemented earnestly and successfully, and will the staff and workers be able to play their role as the masters of the enterprises to earnestly solve the problems not related to rules and regulations. Thus, enterprises should concentrate their analysis of economic results on analyzing and grasping the two civilizations, regard the analysis of economic results as day-to-day work, and persistently carry it through to the end.

JILIN MOVES TO ELIMINATE NEPOTISM IN CADRES

OW301224 Beijing XINHUA in English 1211 GMT 30 Apr 86

[Text] Changchun, April 30 (XINHUA) -- Jilin provincial employment officials have introduced aptitude tests for all applicants for office vacancies in a bid to end unfair practices in cadre appointments. In the past, the provincial labor and personnel department received many complaints that new cadres were chosen through family connections rather than ability. Cadre in China is the name given to a white collar worker or official.

Under new departmental regulations, potential cadres must show that they have had adequate education and professional training, and must undergo cultural, physical and political examination. Applicants who score highly but do not meet all the qualifications are held in reserve.

A department official said efforts should be made to recruit more cadres from rural areas.

CHERNOBYL ACCIDENT MAY AFFECT NUCLEAR POWER POLICY

OW010335 Taipei CNA in English 0257 GMT 1 May 86

[Text] Taipei, April 30 (CNA) -- Economics Minister Lee Ta-hai said Wednesday that the government is watching closely the development of the Soviet nuclear reactor accident, but he declined to comment if the accident will have certain impact on the government's nuclear energy policy.

In response to interpellations by legislators Lin Lo-shan, Liao Fu-ring and Chang Chun-hsiung at a meeting of the Legislative Yuan, Lee said that people here are as much concerned about the accident as other people in the world.

He said it is too early to predict what kind of impact the accident will have on the government's policy on nuclear power plants before learning more about the accident, which some experts have described as the worst of its kind in the world.

Lee indicated that all nuclear technologies and equipment of the nuclear power plants here were imported from the United States where safety has always been the top priority in building nuclear power plants.

The U.S. Government took a long time to investigate the nuclear power accident at the Three Mile Island and finally concluded that human errors were the major cause of the accident, Lee said. Before learning more about the cause of the Soviet nuclear accident, people here should not jump to the conclusion that all nuclear power plants are unsafe, he said.

Lee promised that the government will take all necessary measures to ensure the safety of the nation's nuclear power plants.

INFORMATION OFFICER COMMENTS ON PRC DEFECTION

OW301514 Taipei CNA in English 1453 GMT 30 Apr 86

[Text] Taipei, April 30 (CNA) -- Government Information Officer [GIO] Director General Chang King-yuh said Wednesday that Chen Pao-chung's decision to flee to freedom and to join the anti-communist fight of the Republic of China on the national recovery bastion of Taiwan has clearly shown that the reunification of China through the three principles of the people is a certainty and a natural trend and is the best way to solve the China issue.

Chang made the remarks in a press conference in the afternoon through which freedom-seeker Chen was introduced to the public. Chang pointed out that in the short period of the past five years, one after another Chinese Communist Air Force pilots, including Wu Jung-ken, Sun Tien-chin, Wang Hsueh-cheng and Hsiao Tien-jun, have succeeded in flying to freedom while risking their lives. Now, he added, Chen Pao-chung has followed in their steps to flee to the free land indicating clearly that there are serious problems within the Chinese Communist Armed Forces.

"Giving them opportunities, they will all repudiate Leninism-Marxism, and the communist system and will try every means, by air, sea or land, to seek freedom," the GIO head said. "The attraction of the 'Taiwan experience' will definitely give the strength to overthrow the tyrannical communist rule on the mainland," he quoted President Chiang Ching-kuo as saying.

While we extend our most hearty welcome to Chen, he said, we should doubly remind ourselves that a billion compatriots are still living under the communist regime's oppression. We must unite even more closely and strive even harder to help them regain freedom and happiness. Chang also expressed on the occasion, on behalf of the government and people of the Republic of China, his respect and gratitude to the government of the Republic of Korea for its respecting Chen's will and letting him come to the free motherland. He also took the opportunity to call on all freedom-loving nations in the world to continue to promote humanitarian values and to render help to the peoples of captive nations to overthrow totalitarian regimes.

Pilot Holds News Conference

HK301244 Hong Kong AFP in English 1434 GMT 30 Apr 86

[Excerpts] Taipei, April 30 (AFP) -- A Chinese Air Force pilot who flew a MiG-19 to Seoul in a defection bid arrived here Wednesday to seek political asylum and said North Korean jets had tried to intercept him during his daring journey.

"If you were in my position as a pilot, you would have realized the danger involved," he said. There were many advanced facilities in Shenyang and 13 military bases in North Korea that could have stopped him," he added. "It was a difficult decision to leave my parents and my girl friends... I have to admit that by doing so, I have failed to fulfill my duties as a son, but between filial piety and freedom, I could choose only one."

He said he had left a statement before he left China to "denounce communism and break any ties with the Chinese Communists. I also asked them not to persecute my parents, relatives, and friends for my personal behavior, if they have any conscience left."

Foreign Ministry Statement

OW010343 Taipei CNA in English 0237 GMT 1 May 86

[Text] Taipei, April 30 (CNA) -- The Ministry of Foreign Affairs said in a statement Wednesday that "the ROC [Republic of China] Government greatly thinks its South Korean counterpart for respecting Chen Pao-chung's will to seek freedom in the Republic of China" by letting the former Red Chinese pilot come to Taipei Wednesday afternoon. The MOFA noted that the government and people of the Republic of China have been very much concerned about Chen since he landed his MiG-19 in South Korea February 21 and expected that the freedom seeker will arrive in the free motherland at an early date. Now that the government of the Republic of Korea has sent Chen Pao-chung to the Republic of China, the statement added, the ROC Government "expresses thanks for the ROK Government's viewing the friendship between the ROC and the ROK as having great value, and for its stand on safeguarding freedom and justice and respecting human rights." The Foreign Ministry also reiterated its warm welcome to Chen to arrive in the free mother country.

Meanwhile, Dr. Han Lih-wu, president of the Chinese Association for Human Rights, said Wednesday that the arrival of the 26-year-old former communist pilot in the ROC is "a strong negation" of the possibility for the Chinese Communists to succeed in applying united front tactics against the Republic of China, particularly at a time when the Peiping regime is escalating the plot. Han stressed that the best way to counter Peiping's united front tactics is to strengthen freedom, democracy and human rights in this country so as to ensure the ROC's final victory over the evil Chinese communists. However, he warned against over-confidence on the part of the ROC people in their fight against the Peiping regime, saying over-confidence will result in negligence.

DAYA BAY PLANT OFFICIALS STUDYING ACCIDENT IN USSR

HK010548 Hong Kong SOUTH CHINA MORNING POST in English 1 May 86 p 8

[Text] Chinese officials involved with the Daya Bay nuclear plant are looking with much concern at the massive nuclear accident in Russia. One top official with the Guangdong Nuclear Power Joint Venture Co., which is responsible for building and running the plant, said yesterday he would like to obtain detailed information about the accident but added: "Our country now has fairly limited links with the Soviet Union and the Russians are keeping their nuclear technology under close wraps."

Mr Shen Jiansheng, second deputy general manager of the company, said the type of reactor used by the Russians was different from that to be installed at Daya Bay. An engineer involved with the Daya Bay project explained that the Soviet reactor was a light water graphite reactor (LWGR) while those to be installed at Daya Bay are pressurized water reactors (PWR). LWGR gets its name from the fact that the reactor is cooled by light water and moderated by graphite in the reactor core. The engineer said the Soviet LWGR does not have containment surrounding the reactor core, which makes it more vulnerable to fire when the coolant system malfunctions. A PWR has triple protection for the nuclear core.

One local observer said the Chinese are probably more eager to learn about the accident because a large number of mainland nuclear experts obtained their training in Russia during the 1950's. "The Chinese are probably more familiar with the Soviet nuclear plants than their Western counterparts," he said.

Meanwhile, the Hong Kong Government will be asked to keep the public informed if Hong Kong is affected by the radioactivity from the Soviet Union. Deputy convenor of the UMELCO [Unofficial Members of Executive and Legislative Councils] public utility panel, Mr Hui Yin-fat, said last night that they were concerned about the incident and would press for more information from the government. But Mr Hui pointed out that there was no reason to be alarmed since the effect of the explosion would be a global one and there should not be any imminent danger to Hong Kong people.

However, the incident in the Soviet Union would help to remind local people to keep a closer watch on the Daya Bay plant.

Mr Hui said that although they had been reassured by the government, even so security measures would be adopted at Daya Bay.

EDITORIAL EXAMINES DAYA BAY SAFETY PRECAUTIONS

HK300433 Hong Kong HONG KONG STANDARD in English 30 Apr 86 p 6

[Editorial: The Need to Look Again at Daya Bay Safety Precautions]

[Text] It was claimed from the beginning that nuclear reactors, generating electricity, were safer than any other form of energy technology. The extravagance of such arguments has been exposed, once again, by the accident at a Soviet nuclear power station.

Indeed, it has alarmed all sectors of the nuclear industry round the world. And there can be no doubt that officials in a number of countries are now taking a serious look at the security precautions at their own nuclear power stations.

The Kiev incident will undoubtedly add extra force to the arguments of environmental groups who are strongly opposed to nuclear energy.

Some opponents want to ban any new nuclear plants. Others would halt plants already under construction. Still others would abandon those now in service.

Supporters of the nuclear industry, on the other hand, will probably insist that the relevant question is: "What can be done to eliminate the deficiencies of fission rather than eliminating fission itself?" The utter divergence of these points of view has marked the controversy in recent years about energy from fissioning atoms. The man on the street may be forgiven if he is not sure who is right. The debate has been frequently emotional, sometimes bitter, often confusing. Frightening stories about radiation hazards of nuclear materials view with worrisome forecasts of energy famine, economic troubles, and even environmental disaster if nuclear energy is abandoned.

Seven years have gone by since the 1979 accident at the General Public Utilities Corporation's Three Mile Island reactor in the United States. But nuclear jitters were sparked off again in the United States by a mishap in Florida a year or so later. Some people called the breakdown at the Crystal River nuclear plant in Florida the worst reactor accident since Three Mile Island. But how serious is that? Should the American public have been alarmed at yet another sign of nuclear frailty, or pleased that the Crystal River accident was fully contained? An American columnist wrote at the time: "The Crystal River plant operators contained the accident. But history will record whether the investigator managed to contain the public's doubts. The United States is the kind of society where the scale and potential hazards of such incidents can be freely discussed in the media.

Unlike the United States, however, the Soviet Union is not an open society. The extent of the Kiev accident was still unclear last night. Even the four-sentence TASS announcement would never have been issued if high radiation levels had not been reported earlier in several Nordic countries. Swedish Energy Minister Birgitta Dahl has noted that Moscow failed to inform its neighbours about the accident. "This accident gives added weight to our demands for the Soviet Union's entire civilian nuclear programme to be opened to international inspection," she said. It also illustrates the point about nuclear power stations which their defenders have not been able to answer.

The assurances about Daya Bay, of which we were at one time given so many, now look a bit thin. It is upwind of Hong Kong. It may be quite a long way away but it is a lot nearer than Kiev is to Helsinki. It is not, perhaps, for Hong Kong to say whether the scheme should be allowed to go ahead in its present form, or in any form at all.

The accident in Russia certainly suggests the need to look again at safety precautions at the Daya Bay plant, and the action that may be needed in Hong Kong -- potentially including large-scale evacuation -- if something goes seriously wrong. We are not threatened with a bomb on our doorstep. But we can no longer duck the fact that we are threatened with something potentially a good deal nastier than anything we have to fear from Castle Peak. [Hong Kong power production area]

LIAOWANG VIEWS APPROPRIATE PRC GROWTH RATES

HK270842 Hong Kong LIAOWANG Overseas Edition in Chinese No 21 Apr 86 p 18

[Article by Xie Hong: "Comments on China's Pursuit of an Appropriate Economic Growth Rate"]

[Text] One of the important features of the "Seventh 5-Year Plan" is that it highlights the need to maintain an appropriate economic growth rate and to make the various components of the national economy develop in proportion and with excellent results.

This is in fact an important decision made after summing up historical experience, analyzing the present state of our economy and various trends, and studying the general pattern of our economic development.

China is a developing country. In order to augment its national strength and to raise its people's living standards, it is necessary to maintain an appropriate economic growth rate. However, economic growth is rule-governed and is dependent on the balance and compatibility between various factors. Only by bringing about an overall balance and harmonizing various proportional relations can we arrive at a high growth rate which promises excellent results.

The Growth Rates During the Period Covered by the "Sixth 5-Year Plan" Were Quite Normal

At present China is experiencing a historical and strategic change and its economy, which is a "binary economy and a modern, non-agrarian economy, and is developing rapidly in the direction of a modern economy. In addition, its current closed, rigid economic system, is developing at the same time into a commodity economy full of vitality. During the period covered by the "Sixth 5-Year Plan," China's economic growth rates were very high. Economists hold different opinions on this. Generally speaking, these growth rates were quite normal because, thanks to the reforms and readjustments, some major proportional relations became harmonious. In addition, previously suppressed economic activities were given impetus and the input of the key elements to the reproduction cycles improved both qualitatively and quantitatively. Of course, one must not overlook the existence of some abnormal phenomena such as the growth rate propped up by an increase in investment, by the growth of demand, and by the vast import of raw and processed materials, parts, and components.

Create Conditions for Replacing the Economic Pattern

If we analyze the increase in the pace of economic growth in terms of developmental changes and regular, periodic changes, we will be able to clearly see that development is rational only if it is appropriate, well fostered, extremely beneficial, effective, and continuous, and that if a high growth rate is aimed at an increase in output value and achieved by means of extensive development and an increase in input, balanced overall development will be disrupted and we will be forced to make readjustments. Thus, the correct choice would be to maintain an appropriate economic growth rate, to understand anew the idea of economic growth, and to change patterns with a view toward the attainment of better results. All this is precisely what the Chinese people should strive to achieve in the future.

An appropriate economic growth rate is a necessary condition for the comprehensive reform of the economic structure. This condition should be able to make circumstances favorable for the comprehensive reform of the economic structure, to facilitate the rational readjustment of product mix and production setup, and to draw people's attention to the need to improve economic results and the quality of products.

Measures To Be Implemented in the Future

To maintain an appropriate economic growth rate, China will have to implement the following measures in the future:

-- Acquiring a new understanding of economic growth. In the next few years, China will make an effort to eliminate the influence of the old concept of economic growth dominated by an idea of the importance of output value and the influence of the traditional development pattern; to correct the practice of making output value targets more ambitious at each level and the practice of trying to outpace others; to put an end to the practice of assessing the performance of various localities, departments, and enterprises using increases in output value as a criterion; to perfect the systems governing the assignment of targets and assessment of performance; and to speed up the introduction of GNP targets.

-- Controlling social demand and strengthening the control and regulation of the composition of demand. Last year China adopted a series of measures to strengthen macroeconomic control, with the result that the "overheating" of the economy resulting from growth of demand was alleviated. However, in eliminating the destabilizing factors in economic activities, it is more important to control the composition of demand because the balance between demand and supply is always a structured dynamic balance. By bringing the composition of demand under control, we can make the composition of supply more rational, introduce a production setup commensurate with our national conditions, formulate a production policy to guide economic development, gradually transform the traditional economic growth pattern, coordinate the development of our primary industry and tertiary industry, and quicken the pace of the construction of basic facilities and of the development of the energy industry, transportation, telecommunications, the materials industry, and other basic industries.

In addition, the different pace of economic development in different economic regions will make it necessary for China to handle the problem of balancing the regional distribution of various resources and forces, to help them make the best use of local conditions and resources, to develop horizontal economic ties, to establish multi-layered, multi-faceted, and multi-functional regional economic networks with the large cities as their centers, to make its production setup more flexible, and to make the distribution of resources more advantageous to all. By doing all this, China will be able to adapt itself to the modernization of its economy and the changes in its people's consumption patterns.

-- Strengthening macroeconomic regulation and gradually replacing the state's direct control mainly by indirect control. In this regard, China will gradually replace its direct control of the distribution of its resources with control by economic means and pay close attention to the problem of how planning, financial, and banking policies and various regulatory mechanisms can back up one another in order to bring about an overall balance among finance, credit, foreign exchange reserves, and the supply of goods and materials. In addition, it will also correct various economic malpractices by perfecting economic legislation, strengthening the supervisory organs, and supervising economic activities according to the law. The state's economic management function will be readjusted and the organs responsible for this work will be correspondingly reformed. This is to enhance the ability of the departments responsible for economic management to manage the overall economic situation.

-- Striving to improve supply and to bring about a balance between gross supply and gross demand. China should, by using a rational composition of demand as a guide, increase supply with a minimum increase in input, improve the quality of its products, and enrich its product mix in order to improve the supply situation, and then bring about a limited buyers' market. This is the future course of China's economic operations. Thus, China's primary task is to establish a rational system for the distribution of the interests derived from investment, to provide conditions for equal competition between its enterprises, and to reorganize production. By doing all this, it can develop a self-balancing mechanism to ensure the rational operation of its enterprises. Second, it should develop horizontal economic ties among its enterprises and form groups of enterprises with different characteristics at different levels in order to produce group benefits and social benefits. Third, by offering preferential treatment in taxation, prices, and credit, it would encourage its enterprises to make technological advances, to improve the quality of their products, and to cut down the consumption of materials.

Fourth, it should establish a socialist market system and perfect it in order to provide its enterprises with the necessary capital, goods, materials, technology, and skilled labor for their development. Fifth, it should formulate without delay a clear production policy in order to increase supply, to improve the composition of demand, and to balance social demand and supply.

From the "Seventh 5-Year Plan" and the discussion at the NPC session, it can be seen that efforts made to hold firm to the reforms and development and to make the national economy steadily, continuously, and harmoniously develop are important features of the new 5-year plan and the key to the success of future economic operations.

HONG KONG STANDARD ON MOONLIGHTING PRC UNION LEADERS

HK270620 Hong Kong HONG KONG STANDARD in English 27 Apr 86 p 5

["Special report: by Yan Mei-ning, Stephen Morgan, Annie Lam, and Ivan Lo: "The State of the Unions: Union Leaders Who 'Moonlight' as Managers"]

[Text] Mr Li Ruiting is the trade union chairman of Luk's Industrial (Shekou) Co Ltd, but this is only a part-time job. His official position in the factory is head of the personnel department. Another example of the same person holding concurrently the positions of trade union chairman and head of personnel can be found in Huaqiang Sanyo Electronics Co Ltd in Shenzhen. Both Mr Li and the management of Huaqiang Sanyo claimed that this was only a coincidence and assured that they were very impartial in carrying out their two contradictory roles. This is just one of the many unusual features of trade unions in the SEZ's [Special Economic Zone] foreign funded enterprises.

According to law, full-time union staff should be paid by union funds. The Sunday STANDARD was told, however, that in practice this was not the case; the pay came from the employers. "Every union branch set up in an enterprise has to contribute 40 percent of its funds to the trade union at a higher level. What is left can barely cover the expense of daily union activities," explained Mr Chen Zengxiao, trade union chairman of Shenzhen Aero-Fasteners Manufacturing Co. Ltd. "In state-owned enterprises, the salary of full-time trade union staff will come from welfare funds drawn down from the employers," he added.

The position and salary of a full-time trade union chairman is equivalent to deputy head of the enterprise. As most of the employers still refuse to pay them, the majority of trade union staff are on a part-time basis and carry out their duties mainly in the evenings. Trade unions in the foreign funded enterprises are given rights to attend board meetings as non-voting members.

Huaqiang Sanyo was scheduled to have their first board meeting last Friday since the Japanese injected half of the capital two years ago. But the management told the Sunday STANDARD in an interview on Wednesday that the factory's trade union so far had not asked to be present at the meeting. Although the management was to have a meeting with the trade union staff on Thursday, their Japanese manager predicted that the trade union staff would not raise the issue at a time so close to the board meeting. He added that the trade union chairman, who is also the head of the personnel department, had many opportunities to discuss the workers' situation with the management during his everyday duties.

Mr Zhang Shijin, manager of Luk's Industrial (Shekou) Co Ltd, said that the company is wholly foreign-owned and the directors are from Hong Kong. The board meetings, of course, are held in Hong Kong. It is therefore difficult for trade union representatives to attend.

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HONG KONG MEDIA ON CHINA

Wholly foreign-owned enterprises have to set up a regular consultative meeting system between trade unions and employers. Mr Zhang said this is very flexible in their company and the meetings are irregular.

Their trade union chairman, being head of the personnel department at the same time, can always talk to them if he wishes. A Chinese employee responsible for overall management, will inform the Hong Kong owners through telephone and telex or during their infrequent visits.

Mr Mi Zhiliang, head of the Labour Relations Department of the Shekou district trade union, said that they had much to learn in dealing with foreign owner and management. They had to be careful in selecting titles for seminars for foreign management staff. Otherwise the foreign owners would accuse the management of being too lenient towards workers and trade unions, Mr Mi said.

To organise a committee monitoring labour safety in a factory would arouse suspicion from management and owners if the trade unions adopted the jargon used in state-owned enterprises as these terms are seen as very aggressive.

WEN WEI PO DISCUSSES DEBATE AMONG PRC ARTISTS

HK291207 Hong Kong WEN WEI PO in Chinese 29 Apr 86 p 1

[Special dispatch from Shanghai: "Appraisals on Noted Contemporary Painters of Traditional Chinese Painting Made by a Youth in Nanjing Have Triggered Off a General Debate Among Artists Throughout the Country"]

[Text] Last year, Liu Haisu, a noted Chinese painter, was criticized and somewhat negated by a young man in an article. This triggered off a nationwide debate on the fine arts. Master Haisu said that only by holding debates can academic activities be invigorated and that this article has activated the stagnant state of theoretical criticism on the fine arts.

At a recent interview given to reporters of JIANGSU HUAKAN [Jiangsu Pictorial], Liu Haisu said that "appraisals of an artist can be quite different" and that "I will not take offense at the criticism by a young man. Academic research must be done by everyone, and only by holding debates can it be invigorated."

These remarks by Liu Haisu were written in headlines in the third issue of the magazine this year.

Last July, JIANGSU HUAKAN published an article entitled "My Views on Contemporary Chinese Traditional Paintings" by Li Xiaoshan, a graduate student of the school of art in Nanjing. Of all the painters who are relatively influential in contemporary artistic circles and appraised in the article, Liu Haisu is more negated than affirmed. Li Xiaoshan maintains that although Liu Haisu is an outstanding representative of contemporary traditional Chinese painters, as his conception of painting is limited to the sphere of traditional ideology, he should certainly not be regarded as a great epoch-making master. Nevertheless, as Liu Haisu commenced the practice of aesthetic experiences in painting and ushered Chinese traditional painting into the door of modern painting, his works have added new contents to the extension of Chinese traditional painting.

As soon as this article by Li Xiaoshan was published, there was a public outcry in artistic circles and a nationwide debate on the fine arts began. Some people believed that "the criticism by Li Xiaoshan on the old painters are reasonable.

Although some have struck the vital points, some lack specific analyses." But some people believed that it is obviously not proper for the author to have negated all the most influential contemporary painters in the country and asked whether this is a revision of overthrowing all.

While expressing his different opinions, Li Haisu explicitly pointed out that "Li Xiaoshan's article came out as by a great critic" and that "this article by Li Xiaoshan has activated the stagnant state of theoretical criticism on the fine arts."

PRC NAVY LOGISTICS EXAMINES IMPROVING MANAGEMENT

HK290813 Hong Kong MING PAO in Chinese 29 Apr 86 p 6

["Special Dispatch" from Beijing: "The Logistics Department of the PLA Navy Holds an On-the-Spot Meeting in Lushun to Improve Logistics Services and Modernize Management"]

[Text] The Logistics Department of the PLA Navy recently held an "on-the-spot target management meeting" in Lushun. At the meeting, Li Chunming, director of the Navy Logistics Departments, announced that Navy logistics work for the next 3-5 years is to gradually achieve the modernization of scientific management. The principal task this year is to spread knowledge, to train core members, and to conduct pilot experiments.

The department concerned disclosed that the on-the-spot meeting was held from 12 to 15 April and was attended by over 80 officials from Navy Logistics Departments at various levels. The meeting listened to reports on experience in "target management" conducted by Lushun Naval Base logistics department and the units under its command and organized the participants into conducting an on-the-spot inspection.

The meeting pointed out: In Navy logistics departments management work there exist extensive problems, such as emphasizing experience and neglecting laws; emphasizing qualitative analysis and neglecting quantitative analysis; emphasizing quotas and neglecting results; emphasizing quantity and neglecting quality; and emphasizing supply and neglecting management. These have led to a serious waste of material and financial resources. For this reason, it is necessary to learn and apply modern management science.

At the meeting, the Lushun Naval Base logistics department briefed the participants on how they carried out and what they gained from, "target management." For a long time in the past they had continued to apply old and methods experiences. They had spent as much effort and money as before but still attained little results. Since they conducted "target management" in 1984, they "have carried out their work well with less people and less money."

For example, by conducting factor management the 1st company of a certain automobile battalion has succeeded in reducing accidents; by applying a network method a certain submarine detachment has increased its capability to ensure logistics services in the coastal areas; and by applying "target management" a certain coastal artillery regiment has attained better economic results in agricultural and sideline production.

Navy Logistics Department director Li Chunming said: After 3-5 years of effort, Navy logistics work must gradually modernize its scientific management. The principal task this year is to spread knowledge and to train core members. Every base and every fleet should conduct at least one pilot experiment and then gradually spread the experience.

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